

GOVDOC

BOSTON PUBLIC LIBRARY



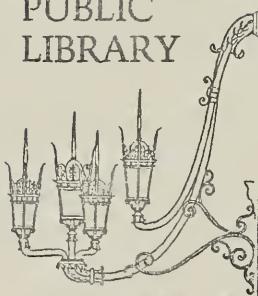
3 9999 06583 483 8

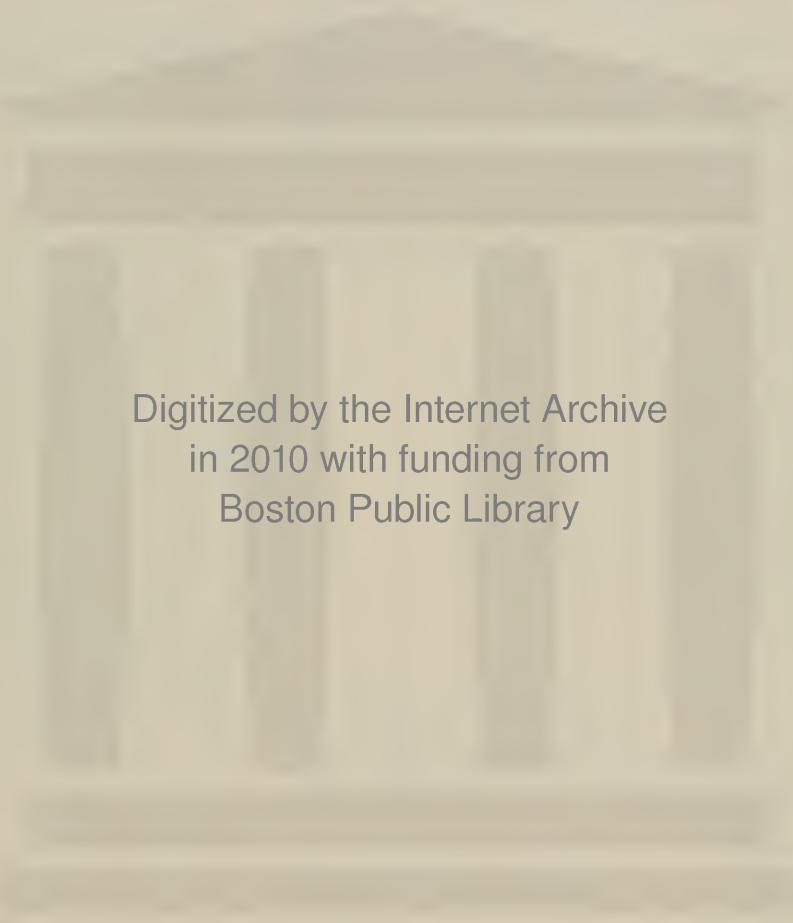
BRA

3321

vol. 1-2

BOSTON
PUBLIC
LIBRARY





Digitized by the Internet Archive
in 2010 with funding from
Boston Public Library

<http://www.archive.org/details/housingneedsprior12just>

GOV DOC

BRA

3321

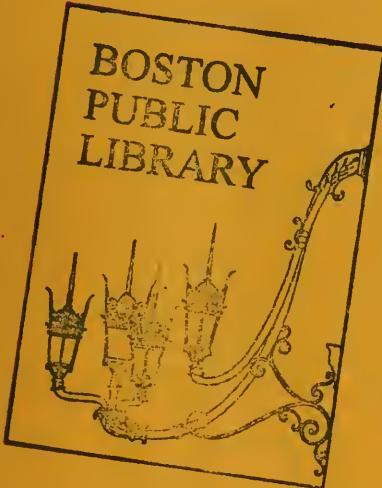
Vol. 1-2

X6000
Property of
BOSTON REDEVELOPMENT AUTHORITY
LIBRARY

JUSTIN GRAY
ASSOCIATES

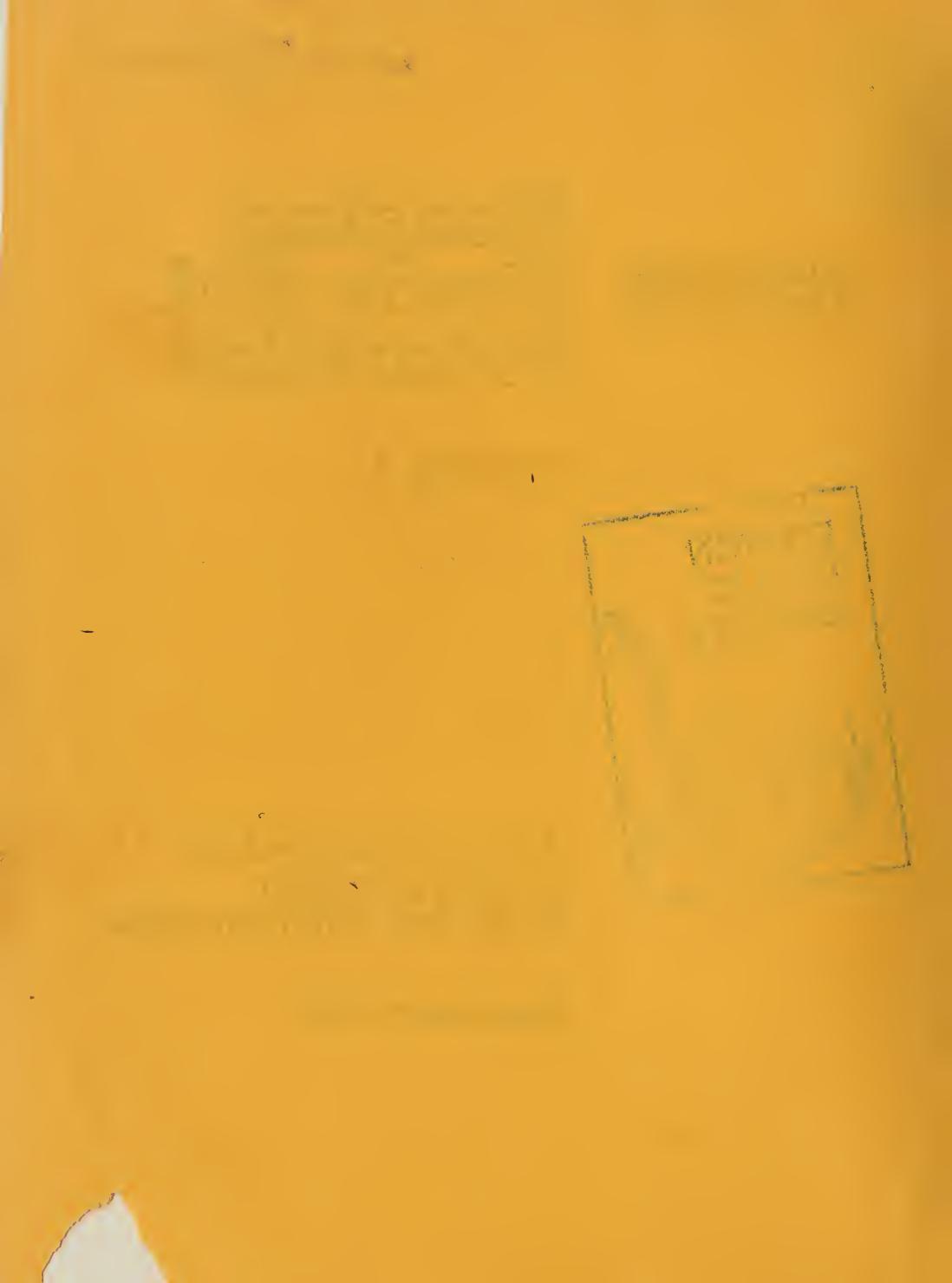
Housing Needs and Priorities

VOLUME 1



A Report Prepared for
the City of Boston
Model City Administration

September 1970



jga

JUSTIN GRAY ASSOCIATES

96 Mt. Auburn Street Cambridge, Massachusetts 02138 (617) 876-5900

September 10, 1970

Langley C. Keyes
Director of Housing Development
Model City Administration
City of Boston
2414 Washington Street
Roxbury, Massachusetts

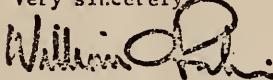
Dear Langley:

I am pleased to transmit our final report, Housing Needs and Priorities. This report concludes our study of housing problems, and possible directions toward which their solutions can move, in the Model City area.

I want to take this opportunity to thank the members of the Model City Administration staff who helped us in the preparation of this report. I also want to emphasize our debt of gratitude to the people in the Model City community who were kind enough to offer us their time and their suggestions and ideas. Many of the concepts reflected in the report were generated by our discussions with them, although the responsibility for the way they are stated here is solely ours.

On behalf of the staff of Justin Gray Associates who were responsible for the preparation of this report -- Rachel Bratt and Ann Carson, research associates, and James G. Stockard, principal associate -- I hope that this work will be helpful to the Model City community and to the Model Neighborhood Board and the Model City Administration in solving the community's critical housing problems.

Very sincerely,



William C. Perkins
Project Director

INTRODUCTION

Justin Gray Associates was commissioned last March by the Boston Model City Administration to prepare a study of housing needs in the Model City area. The enclosed report presents the results of that study.

The study is based on two principal sources of information about housing needs and problems in the Model City area. First all of the available data compiled by the MCA and other agencies was reviewed, analyzed and incorporated into a statement of housing need and of constraints on programs that might be devised to meet it. Second, a series of interviews in depth was carried out with people in the Model City community who are familiar with housing problems and with methods which have been used in the past to try to solve them. These people included builders, real estate agents, management agents, bankers, members of the clergy, staff of community organizations, and members of the Model Neighborhood Board staff.

This report is not intended to be a housing program to be carried out by the MCA and related agencies. First, that was not the purpose of the study, and preparation of an action program is clearly beyond the scope of the work which has been done. Second, it would be difficult at best for a consultant with limited knowledge of and experience in the Model City community to design a program without a much more extensive involvement of the Model Neighborhood Board and other agencies and organizations than was feasible during the course of this study. Rather, the report assembles materials which can be used to prepare an action program. The report does make specific recommendations as to programmatic devices, strategies and priorities whenever possible.

Justin Gray
Associates

HOUSING NEEDS
AND PRIORITIES

A Report Prepared for
the City of Boston
Model City Administration

September 1970

VOLUME 1:	WHO NEEDS HOUSING?	1
	HOW CAN THE HOUSING NEEDED BE PAID FOR?	31
	HOUSING DEVELOPMENT ISSUES	40
	HOME OWNERSHIP IN THE MODEL CITY AREA: CAN IT WORK?	62
VOLUME 2:	RESIDENTIAL PROPERTY SALES AND HOUSING SUBMARKETS	95
	WHERE SHOULD NEEDS BE MET? MODEL CITY SUB-AREAS	110
	HOUSING INFORMATION SYSTEM	134

Appendices following page 151

Who Needs Housing?

INCOME AND HOUSEHOLD SIZE

The primary factors that determine demand for housing are: (1) household income, translated into the ability to pay for housing, and (2) household size, translated into the need for numbers of bedrooms. Obviously, there are other factors which do affect real demand, if that is defined as the set of preferences of a family for housing and their willingness to pay the cost of a unit that meets those preferences -- including their desire to rent or to own, preference for one neighborhood over another, or kind of building preferred. In the Model City area, however, where "demand" is severely constrained both by income and by race, these other factors most often cannot play a real role in determining housing choice. In fact, the concept of "demand" is clearly an artificial one, when used to describe the characteristics of Model City households; what we are talking about is their need for housing -- the size of unit a household should have if it is not to be overcrowded, and the maximum cost it should have to pay without being seriously overburdened.

The people who live in the Model City area have considerably lower incomes than Boston residents as a whole, and so can afford to pay significantly less for housing costs (see Table 1).

Table 1: Annual household income, Model City residents (1970) and Boston residents (1969), in number and percent of households

	Model City No. of Households	%	Boston % of Total
Under \$3,000	5,450	35	14
\$3,000 - \$6,000	6,050	39	24
\$6,000 - \$10,000	2,900	19	39
More than \$10,000	1,000	6	33

[Note: All figures in this and following tables which refer to the Model City area are from data prepared by the MCA Data Collection staff. All figures which refer to the City of Boston are from the Joint Center for Urban Studies Boston Area Survey.]

When Model City incomes are compared with current housing costs, it is equally obvious that they pay more than they can afford for housing irrespective of the size of units. That is, even though rents in the Model City area are significantly lower than in the city as a whole (see Table 2), they are not lower enough to match income levels in the area.

Table 2: Model City area rents (1970) and City of Boston rents (1969), in percent of rented housing units

Monthly* Rent	Model City Area % of units	Monthly* Rent	City of Boston % of units
\$30-69	25	Under \$60	4
\$70-89	38	\$60-79	11
\$90-109	27	\$80-99	10
\$110-129	6	\$100-119	15
\$130+	4	\$120-139	21
		\$140+	39

* Note that rent levels are not comparable, because of the form of the data. The figures still clearly indicate that Boston rents are significantly higher.

The figures in Table 3 indicate that, while over a third (5,450) of all Model City households can afford* to pay about \$65 or less for housing, there are many fewer (3,850) than that number of units at that cost. That is, even if all the housing units at that cost were actually occupied by households who could afford to pay that much (which they are not), there would still be a "deficit" of more than 1,600 low-cost units. There is, in a sense, a counterbalancing "surplus" of units in the next highest category of cost (\$65-\$125), some of which are occupied by households who cannot afford that much, and a larger number by those who can afford more.

Table 3: Ability to pay compared to actual housing costs, Model City area, in number and percent of households and housing units

Households can afford to pay			Actual cost of units		
no more than	No.	%		No.	%
\$50-62	5,450	36	\$30-69	3,850	25
\$63-125	6,050	39	\$70-129	11,000	72
\$126-208	2,900	19	\$130+	550	3
\$208+	1,000	6			

* Assuming 20-25% of income as a "reasonable" housing cost. As many studies have indicated, most low-income families cannot afford to devote that proportion of their income to housing, and families of higher income do not pay that proportion. The average payment for all families in the country as a whole is closer to 16% of income. Federal and state subsidy programs do use the 20-25% rule, however, and so families who need housing will have to spend that, hopefully as a maximum.

This suggests that there is a critical need for very low-cost units, and that some households who now live in "medium-cost" units could afford more. Judging from other studies and information, it is likely that these households represent families who now rent but might buy if units that met their needs were available, and who could support homeownership even in cases where costs were higher. If they are not willing to buy, they might alternatively rent new units in better condition at somewhat higher rents.

The actual pattern of current housing costs in relation to income sharpens this picture even more.

Table 4: Monthly housing cost and annual household incomes, Model City area (1970), in number of households

Housing Cost	Household Income				Total
	\$3,000	\$3,000-6,000	\$6,000-10,000	\$10,000+	
\$30-69	1,100	2,050	250	450	3,850
\$70-129	4,350	3,750	2,450	450	11,000
\$130+	-	250	200	100	550
Total	5,450	6,050	2,900	1,000	15,400

Table 4 above shows that in reality less than a fifth of the households with very low incomes actually pay what they can afford at a maximum for housing; the rest of them, who represent one out of every four Model City households, pay more than they can afford -- in some cases perhaps twice as much, or half of their total income. Only a small number of households above that income level pay more than they can afford, by contrast.

The other critical factor determining need for housing is household size, and the resulting size of housing unit needed. The translation of household size into a number of bedrooms needed -- the key measurement of the size of unit needed -- depends primarily on the number, age and sex of children and on the number of households with only one parent. Making some reasonable assumptions* about those variables, the following profile of housing need can be developed.

Table 5: Housing units needed, by number of bedrooms, Model City area (1970), and comparison with size of occupied units, in number of units

No. of Bedrooms	Units Needed		Occupied Units			Deficit or Surplus
	No.	%	No.	%		
1	7,500	48	2,450	16	-	-5,050
2	3,550	23	6,000	39	+	+2,450
3	2,550	17	5,550	36	+	+3,000
4	950	-	-	-	-	-
5	400	9	1,400	9	+	50
6+	450	3	-	-	-	- 450
Total	15,400		15,400			

* Assumed that 25% of all households with two or more persons are a woman with children, which represents a conservative estimate; the overall population figure at 34% was not used because proportion of households female-headed varies with the size of household, with a range of 21% to 34%. Assumptions about family composition, to allow for differences in the age and sex of children, are as follows:

- (1) All two-person female-headed households require two bedrooms;
- (2) All male-headed three-person households require two bedrooms; half of the female-headed three-person households require two bedrooms, and half three bedrooms;
- (3) Half of the male-headed four-person households require two bedrooms, and half three bedrooms; three-fourths of the female-headed four-person households require three bedrooms, and one-fourth four bedrooms;

Table 5 shows that there are net deficits -- not as many units in the occupied stock as there are families who need them -- for very small units and very large ones. In relation to the figures on housing costs, this suggests that many small households must live in units larger than they need, and -- assuming that larger units generally cost more -- some pay more than they can afford as a result. Relating income to family size (Table 6 below), it is also clear that some very large households are forced to live in units that are too small, and still pay more than they can afford.

Table 6: Income and household size, Model City area (1970), in number of households

Number of Persons	Household Income (and ability to pay for housing)				Total
	-\$3,000 (\$50-62)	\$3,000-6,000 (\$63-125)	\$6,000-10,000 (\$125-208)	\$10,000+ (\$208+)	
1	2,050	1,400	850	50	4,350
2	1,400	1,550	850	400	4,200
3-5	1,900	1,900	1,050	500	5,350
6+	100	1,200	150	50	1,500
Total	5,450 (35%)	6,050 (39%)	2,900 (19%)	1,000 (6%)	

-
- (4) Three-fourths of the male-headed five-person households require three bedrooms, and one-fourth four bedrooms; three-eights of the female-headed five-person households require three bedrooms, half four bedrooms, and one-eighth five bedrooms;
 - (5) One-fourth of the male-headed six or more person households require three bedrooms, one-fourth four bedrooms, one-fourth five bedrooms, and one-fourth six or more bedrooms; one-fourth of the female-headed six or more person households require four bedrooms, one-fourth five bedrooms, and one-half six or more bedrooms.

In summary, it is clear that there are not enough very small or very large units at any cost, and there are not enough low-cost units (monthly cost less than about \$65) regardless of size.

An analysis of the interrelationships between cost and size, in terms of units needed and units actually occupied, identifies the problem in greater detail.

Table 7: Comparison of units needed with occupied units, by number of bedrooms and monthly cost, Model City area (1970, in number of housing units)

No. of Bedrooms	\$50-62 (\$30-69)*		\$64-125 (\$70-129)*		\$126+ (\$130+)*		Total	
	Need	Occ.	Need	Occ.	Need	Occ.	Need	Occ.
1	3,150	800	2,550	1,500	1,800	150	7,500	2,450
2	1,200	1,250	1,300	4,500	1,050	250	3,550	6,000
3	800	1,750	1,050	3,700	700	100	2,550	5,550
4-5	250	50	800	1,300	250	50	1,350	1,400
6+	50	-	350	-	50	-	450	-
Total	5,450	3,850	6,050	11,000	3,850	550	15,400	15,400

* Data on rents available in MCA Base Data Survey only in these increments; closest approximation to other data.

Not surprisingly, the most serious absolute deficits are in small units at very low rents, and very large units at the same rent level. There are about four times as many households who should have one-bedroom units for less than \$65 a month as there are units of that size and cost. And there are smaller numbers of households who need, but cannot find, units with four or more bedrooms at that cost. There are also large numbers (about 2,700 households -- almost one of every five Model City households) of households who can afford to pay

somewhat more, but cannot find units small enough. They obviously live in units larger than they need, although this alone does not appear to cause a shortage for other households who do need units with two or three bedrooms. That is, there are more than enough units with two or three bedrooms in the existing occupied housing stock at a current cost low enough to meet the needs of households who need those kinds of units -- but it is clear that there is not a "match" between the supply and the need. There is only a net deficit of 1,600 units at the lowest cost level (the numbers in categories where there are "too few" minus categories in which there are "too many"), but there are more than 4,300 households at the corresponding income level who pay more than they can afford for housing -- that is, they do not occupy those "surplus" larger units. The real shortage, in that sense, is caused by other households who live in larger units than they need and pay less than the maximum they could afford. That happens, obviously, not because households with more money intend to displace those with less; in many cases families may rent or buy larger units than they currently need because they anticipate having more children, and they know that means they should keep housing costs at a minimum, especially if prospects for increases in income are not good. It means simply that those whose incomes are even more limited are relatively more disadvantaged. It also means that behind the obvious deficit in small units at low cost lies a "hidden" need for larger low-cost units as well -- as many as 2,100 units with two or three bedrooms. There may in fact be a larger need than the 2,350 low-cost one-bedroom units and 250 units with four or more bedrooms that the table indicates on the surface, since some of the units of those sizes and costs that do exist may be occupied by families who fit in other unit size/cost categories, but there are at least that number needed.

There is the same kind of "match" between units and families in the housing market at the next level of cost -- \$63-125 a month -- although evidently to a lesser degree. There is a net surplus of almost 5,000 units at that cost, but there are at least 250 households (from Table 4) at the corresponding income level who pay too much. They, like the households in the lowest income category, are displaced by other families who occupy those units for some combination of reasons.

At the "highest" level of housing cost -- more than \$125 a month -- there is again a "deficit" in a sense, in that in each category of size and cost there are fewer households actually occupying units than need them. What that means, however -- given the relation of needs to occupancy in lower cost categories that has been explained -- is that some of those households live in lower-cost units. None of the households in the highest cost category pay more than they can afford, according to the definition that has been used throughout this analysis (see Table 4). What it may also mean is that these households make up a real "market", in economic terms -- they may be willing to rent or buy new units at higher monthly costs than they now pay, which could free up some lower-cost units for other families. That "freeing-up" would not necessarily solve the problems of the lower-income families who now pay more than they can afford or live in smaller units than they need -- both because there is an absolute deficit of lower-cost units and of very large and very small units, and more importantly because the units left behind might be occupied by families from outside the Model City area.

Some indication of the amount and composition of the demand for "new" housing -- that is, for housing different in condition and cost from what families now occupy -- can be drawn from the experience of initial renting of units that have recently become available.

St. Joseph Cooperative Homes began accepting applications for 136 apartments on April 1, 1969. 1,200 families made initial application, a little under half of whom then lived in the Model City area. After initial screening of applicants, 800 were invited to return to complete more formal applications, accompanied by credit checks and personal interviews. Management records indicate that 570 families did so, from among whom the 136 families were selected. About 40% of both the families who were selected as members of the cooperative, and the families who could not be accommodated because of the limited number of units available, were from the Model City area.

The apartments provided by St. Joseph's are larger, on the average, than units in the total housing stock, as indicated below, in percentage of units:

	Model City area	St. Joseph's
1 bedroom	16	10
2	39	30
3	36	35
4-5	9	25
6	-	-

Rents are not as low as in the rest of Model City area housing, but are favorable by comparison because they are for new units in good condition. Units of one to three bedrooms at St. Joseph's rent for \$105-145 (85 of the 136 units); the remaining 51 units, with three to five bedrooms, are leased to the Boston Housing Authority for tenants whose incomes are within eligibility limits for public housing, and so rents to the occupants are set as a proportion of income. The St. Joseph units, therefore, are generally at the cost level which has been described above as "moderate-cost", for families with incomes between \$3,000-6,000 (since income limits for larger families in the public housing formula are higher than for small families).

The families who were selected to occupy the 136 units available differed from Model City area families as a whole in several significant ways. None of the families had incomes below \$3,000, compared to 35% of the families at that level in the area as a whole. About half were between \$3,000 and \$6,000, and the other half above \$6,000 but under \$10,000. In the Model City area, the corresponding proportions are 39% and 19%, so that even within the "middle" range of \$3,000 to \$10,000, St. Joseph's families tend to have higher incomes. In terms of household size, St. Joseph's families are larger, corresponding to the larger units available in the development. 82% of the families selected had three or more people, compared to only 45% of families of that size in the Model City area as a whole. A noticeably larger proportion of St. Joseph's families are female-headed (44% compared to 34%), but only 18% of the families selected receive welfare assistance of any kind, while 42% of all Model City families do.

The families who were able to find units at St. Joseph's, then, represent larger families with more children, but also with higher incomes than in the whole Model City area. The only way that larger families with low incomes were able to make use of the new units was through the BHA subsidy for 51 of the larger apartments. It is reasonable to assume that there would have been no problem in finding families with higher incomes to fill those apartments if the subsidy had not been available.

The families who were rejected from St. Joseph's -- but whose applications indicate that they were eager to find new housing -- were families with considerably larger problems than those who were selected, but probably fairly representative of Model City families in general who have the greatest need for new housing. They were larger than

either selected families or the rest of the population, as shown below, in percentages:

Number of Persons	Families Selected	Families Rejected	Model City Area
1	8	2	28
2	10	9	27
3-5	59	53	35
6+	23	36	10

Well over half of the families of six or more actually had seven to nine people. 72% of the rejected families were female-headed, and 62% received some kind of welfare assistance. In terms of income, the rejected families were worse off than the families selected, but somewhat higher income than the rest of the Model City area. Only 17% of the families had incomes below \$3,000, half as many as in the Model City area as a whole, and 56% of them were between \$3,000-6,000, compared to 39% for the whole area. Those figures are misleading, though, since the high frequency of both female-headed households and welfare payments means that those higher incomes overrepresent households whose incomes are supplemented by (or come totally from) welfare, and so underrepresent other families whose incomes are not assisted and are lower. The "higher" incomes reflected by the figures on the rejected families, in reality are also those of unusually large families with only one parent, and are hardly adequate to support reasonable living costs; these families, then, are not better off than most Model City households, but rather are those with some of the most severe problems.

The figures indicate two things, in summary:

- (1) that the families who did apply for and receive apartments represent primarily families identified in the analysis as "middle income" (between \$3,000 and \$6,000 or higher), and

that the only way families with low incomes relative to their size could have access to the new units was through a BHA subsidy; and

- (2) that the families who were most eager to find new housing, but could not be accommodated, were predominantly large, female-headed households receiving welfare payments. If their willingness to go through the application process (as well as the description of their characteristics) is any indication of need, these are the kind of families who need new housing as a first priority. They represent a fairly small part of the total need for low-cost housing, in terms of numbers of households, but their problems are relatively more drastic and difficult to solve.

HOUSING CONDITION AND ITS EFFECT ON THE MARKET

Both the problems of lower-income households, and the market created by "higher-income" households now living in units they do not "need", are affected by the condition of the housing that now exists.

In the whole Model City area, only 30% of the occupied units are classified as in "good condition". Almost half of the units need minor repairs, and one of every five units needs major repairs. The remainder (3%) are evaluated as being beyond repair.

Table 8: Condition and monthly cost of occupied housing units, Model City area (1970), in number and percent of housing units

Monthly Cost	Condition									
	Good		Needs Minor Repairs		Needs Major Repairs		Beyond Repair		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
-\$70	1,300	33	1,600	42	850	22	100	3	3,850	25
\$70-130	3,000	28	5,600	51	2,050	19	350	3	11,000	72
\$130+	350	62	200	38	-	-	-	-	550	3
Total	4,650	30	7,400	48	2,900	19	450	3	15,400	100

A relationship between housing cost and condition would normally be expected -- lower cost means less money available to support maintenance and repairs, and a lower rent-paying ability means less choice of units for low income households. Table 8 above indicates that the expected relationship does characterize the Model City housing market. In fact, not only the majority of units in the lowest cost category need some kind of repairs; a slightly larger proportion of the units in the "middle" cost category are in need of repair. That is predictable, since the lowest-cost units only account for about one-quarter of all units, while fully two-thirds of all units need repairs. Only for units in the highest cost range -- above \$130 -- are most units good.

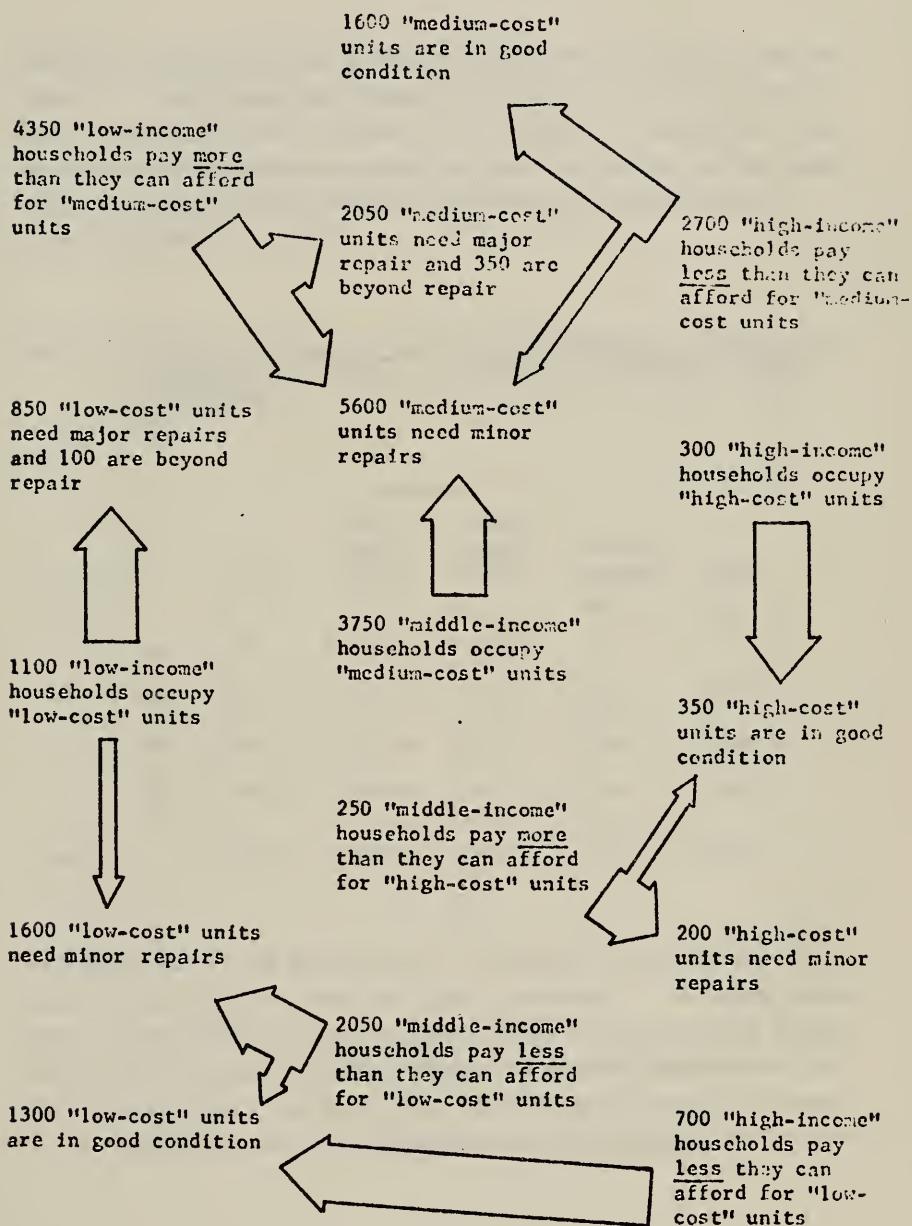
Those facts mean that lower income families not only pay more than they can afford -- and for larger families, must accept units too small for their needs -- they must also accept units in worse condition. In every way, then, their housing dollar buys them less, and is a larger loss for them. Conversely, they also suggest that some of the families who could afford higher rents than they now pay live in housing units that need repairs, and so might be attracted to new or rehabilitated units.

It would not be unreasonable to assume that the relationship between condition and cost carries over into the situation of low-income households who do, in fact, rent units at costs higher than they can afford. That is, the 22 percent of units between \$50 and \$129 that do need major repairs, or are beyond repair, are probably occupied predominantly by families forced to pay more than they can afford, probably at the lower end of that cost range. Even by paying more, they cannot buy better housing. The "better" units at that cost are, by contrast, probably rented first by those who can afford to pay rents at the upper end of the range; and then whatever "good" units are left, and most of those that only need minor repairs, are rented by households whose incomes are just able to afford the middle range of cost.

The diagram on the following page suggests how the major shifts among housing units probably take place, as a function of cost and condition. Obviously, the "balance" is not exact. Some "high-income" households actually occupy the lowest cost units (see Table 4); these may be homeowners whose mortgages are amortized, and whose only costs are taxes, repairs, insurance and the like. Similarly, some of the "middle-income" households who occupy low-cost units needing minor or major repairs may be homeowners whose homes need more repairs, but whose incomes (or age) cannot support major rehabilitation costs, or they may be renters who simply did not find units in good condition available when they needed them. The high vacancy rate in the Model Cities area -- fully 24% of the units in 1970 were estimated to be standing vacant -- also suggests that there is less than intense pressure on the housing stock. That is, it suggests that the very worst units have simply been eliminated from the market and that households who might otherwise have occupied them have left the area rather than accept those units.

HYPOTHETICAL RELATIONSHIP OF HOUSING COST, HOUSING CONDITION AND
HOUSEHOLD INCOME IN THE MODEL CITY AREA

16



Housing condition also has a distinct relationship to size of households. It has already been demonstrated that very large families at every income level have a difficult time finding housing at all, and must pay more than they can afford or accept units that are too small, or both. Table 9 below indicates that they also occupy units in relatively worse condition.

Table 9: Condition of housing units and household size, Model City area (1970), in number and percent of housing units and households

Household Size	Good	Condition					
		Needs Minor Repairs		Needs Major Repairs		Beyond Repair	
		No.	%	No.	%	No.	%
1	No.	3,050	47	1,650	38	650	15
	%	45		22		23	
2	No.	1,050	25	2,250	54	800	19
	%	22		31		27	
3-5	No.	1,150	22	2,850	53	1,100	21
	%	25		39		37	
6+	No.	400	25	650	44	350	25
	%	8		9		13	
Total		4,650	30	7,400	48	2,900	19
						450	3
							15,400

As Table 9 shows, the proportion of units needing major repairs or beyond repair increases with the size of household. The large proportions of households with six or more persons who occupy units in good condition or needing only minor repairs is probably explained by the fact that there are households that large in the "middle" and "upper-income" categories who can outbid lower-income households for the best

of the units in lower cost categories. That is, they may try to find units in better condition at lower cost, since they have to accept units that are too small no matter what they pay. They may also be deliberately "under-spending" in order to save for purchase of a home that will be large enough. Or, as discussed earlier, they may be homeowners who can afford to maintain their property.

WHAT KIND OF PEOPLE DO THESE STATISTICS DESCRIBE?

A meaningful analysis of the Model Cities housing market, and of the needs for new or rehabilitated housing that it generates, clearly cannot be drawn simply from the numbers described above. It must reflect an understanding of the other characteristics of Model City families that affect their present and future housing needs.

Race

Race is obviously one of the primary factors that differentiate among Model City households. The area as a whole is racially mixed -- about three-fifths of the households are black, one-third are white, and one-tenth of the households are Spanish-speaking (principally Puerto Rican and Cuban) -- although there are important differences among sub-areas, which are described in a later section. There are significant differences among the segments of the population as a function of race and ethnic group, which affect the overall housing market.

Table 10: Household size and race and ethnic group, Model City area (1970) in percent of households

Race or Ethnic Group	Number of Persons			
	1-2	3-5	6+	Total
Black	42	43	15	100
White	72	22	6	100
Spanish	36	46	18	100
ALL HOUSEHOLDS	55	35	10	100

As Table 10 shows, most of the white households are small -- a much larger proportion of one- and two-person households than for the whole population (55%). More of the black and Spanish families are large than in the population as a whole; 43% and 46% respectively are families of 3-5, compared to 35% for the whole population -- and 15% and 18% respectively are families of six or more persons, compared to 10% overall.

That means that the large families, who were described earlier as faced with a serious shortage of housing units big enough for them regardless of cost, are most often black or Spanish households. It also means that the problem of small families, who were identified earlier as being in units too big for their needs and probably paying more than they could afford as a consequence, is directly affected by race. Which way the effect works will be discussed below, in relation to the age of households and to owner-renter patterns.

Table 11: Household type and race or ethnic group, Model City area (1970), in percent of households

Race or Ethnic Group	With Children	Household Type			Total
		Young, Without Children*	Old, Without Children**		
Black	63	11	26	100	
White	30	6	64	100	
Spanish	70	9	21	100	
ALL HOUSEHOLDS	53	9	38	100	

* Defined in the Model City education survey as young households without children.

** Defined in the Model City education survey as families with only children older than school age or with no children.

Table 11 indicates that not only are most white families small -- they are "old", in more than a 10-to-1 ratio to young couples or single people. The one-third of black and Spanish families who do not have children are also mostly old, but in a much lower ratio.

Unfortunately, reliable data on the relationship between race and income are not available for the Model City area in a form which would allow them to be compared to the figures presented here. General evidence suggests, though, that incomes of black families tend to be lower than of white families, and incomes of Spanish-speaking households still lower. It is reasonable to assume that most of the families of low income who must pay more than they can afford for housing are black or Spanish; and it is clear that most of the large families who not only pay too much, but live in units too small for their needs, are black or Spanish.

Table 12: Renter-owner status and household type, Model City area (1969), in number and percent of households

	Young,		Middle-aged,		Old		Total	
	Without Children	No.	Without Children	No.	Without Children	No.	With Children	No.
Rent	1,300	94	2,500	84	1,250	68	7,650	83
Own	50	6	450	16	600	32	1,600	17
TOTAL	1,350	9	2,950	19	1,850	12	9,250	60

The pattern of homeownership also supports these conclusions, although again direct information on the relationship between race and ownership is not available. Table 12 above does indicate that ownership increases with age among families without children. Since white families are predominantly old and small (and black and Spanish families conversely larger and younger), the figures suggest that the rate of ownership is generally higher among white families in the Model City area.

This is true in spite of the pattern of relationship between ownership and household size indicated by Table 13 below. It suggests that ownership increases with family size, and no one could easily conclude that black or Spanish households are more likely to be owners, since their household size tends to be larger. The relationship between household size and ownership combined with the relationship between ownership and age of household/household type indicates that the small families who do own tend to be older and without children, and are most likely to be white. And even though most white households are

small and older, there are still about 1,400 white households who do have children, 300 of which are families of six or more persons. Direct observation and other evidence certainly suggests that white owners clearly are more predominant than black or Spanish owners, and neighborhoods that have larger proportions of white population also have higher levels of homeownership.

Table 13: Renter-owner status and household size, Model City area (1969), in number and percent of households

	1		2		3-5		6+		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Rent	3,950	91	3,400	81	4,250	79	1,100	74	12,700	82
Own	400	9	800	19	1,100	21	400	26	2,700	18
TOTAL	4,350	100	4,200	100	5,350	100	1,500	100	15,400	100

The relationship indicated by Table 13 is certainly predictable apart from considerations of race, since ownership normally tends to increase as families become older and as family size increases, because families have had time to save for home purchase and also have difficulty finding rental units for larger families, while younger and smaller families often rent until they can afford to buy. Table 13 undoubtedly describes that pattern, and the apparent discrepancy between it and assumptions about ownership as a function of race are simply a statistical coincidence.

That is, the 400 households with six or more persons who do own are still probably primarily the 300 large white households; and the 1,100 households of 3-5 who own include primarily the 1,100 white households

of that size. This is not to say that black and Spanish families do not own homes; empirical evidence is that they do, and that some neighborhoods within the Model City area have large numbers of black homeowners. For the area as a whole, though, owners are more likely to be white. Most importantly, many of the small households who live in units too large for them are very likely white families who bought homes some time ago, before the area became predominantly black, whose families are gone and whose housing costs may be low because their mortgages are already amortized. That explains some -- but not all -- of the "deficit" of 5,000 small units identified in Table 5. Only 3,650 of the white households in the area are small, and 400 of them are young, without children (and unlikely to be owners). Even if most of the small, older white households are the kind of owners described above, there are still 1,800 or more small black and Spanish households and 2,000 more small white households who cannot find units as small as they need, many of whom must pay more than they can afford for larger units.

These conclusions about the relationship of ownership to the housing needs described earlier are also borne out by data on ownership and housing condition, and ownership and income.

Table 14: Ownership and housing condition, Model City area (1969) in percent of households

Renter/Owner Status	Good	Condition			Total
		Needs Minor Repair	Needs Major Repair	Beyond Repair	
Rent	27	48	21	4	100
Own	43	47	10	-	100
ALL UNITS	30	48	19	3	100

Table 15: Ownership and income, Model City area (1969), in percent of households

Renter/Owner Status	Weekly Income				Total
	Under \$70	\$70-100	\$100-150	\$150+	
Rent	97	87	82	68	82
Own	3	13	18	32	17
TOTAL	100	100	100	100	100

As in other cases, the high proportion of owner-occupied units needing minor repairs is explained by the large proportion of units in that condition in the whole Model City area housing stock. Notwithstanding that factor, it is clear that owner-occupied units are in better condition than rental units. That observation supports the hypothesis described by the diagram on page 16, that many of the households who occupy units below the maximum cost they can afford are owners whose homes are in better condition than most of the units in that cost category.

Table 15 also indicates that rate of ownership increases as income becomes higher, again lending weight to the hypothesis. That is, since the condition of owner-occupied units is better, and more higher-income households are owners, it is reasonable to assume that some families whose incomes have risen still own units whose current cost is low and use their money to keep them in relatively good condition. Still, there are clearly some renters who pay less than they can afford (since the number of owners even in higher income categories is not as large as the number of households at that level of income who occupy units at less cost than they can afford), and who might provide a market for new housing at "moderate" rents or purchase price.

CHANGES IN THE MODEL CITY AREA HOUSING MARKET OVER TIME

Clearly, the meaning of the figures presented in the preceding section, and the need for housing development activity they imply, has to do not only with the current state of affairs but also with changes over time. Since all of the units needed to be built or rehabilitated will not be produced immediately, some projection or anticipation of probable changes in the near future will be a useful policy guideline. This is even more true since the reality is that very difficult choices will have to be made among needs, as to which can be satisfied -- or at least, where efforts should be concentrated first by MCA and other agencies. Thus the pure magnitude of current need should be analyzed against the background of how the housing market is and has been changing, and which problems are getting worse rather than better.

Total Population

Every source of available evidence suggests that the population of the Model City area is continuing to decline. Between 1950 and 1960, the population dropped from about 90,000 to slightly more than 63,000; current estimates put the 1970 population between 45,000 and 50,000. This decline in population is not as drastic as it might seem compared to the estimate of 63,000 at the initiation of the Model Cities program in 1967, since that figure was based principally on 1960 Census figures as the most recent reliable information, and the population has in reality been decreasing since 1960. The rate of decrease between 1950 and 1960 was about 30%, while between 1960 and 1970 the rate dropped slightly to around 25%.

The number of households also dropped, obviously, between 1960 and 1970 -- from almost 19,000 to 15,400. This occurred against the background

of a relatively stable number of housing units in the area -- 20-21,000 -- and therefore a dramatic rise in vacancy rates. In 1960, the Census reported only 2,000 vacant units, or 9% of the total. In 1970, 4,800 units are estimated to be vacant, or almost a quarter of all units.

Household Size

The composition of the population in terms of household size has also undergone a change since 1960, which explains some -- but not all -- of the decrease in population. The proportion of large households has become smaller (see Table 16 below), and smaller households have conversely become more predominant.

Table 16: Changes in household size 1960-1970, Model City area, in percent of households

	Number of Persons			
	1	2	3-5	6+
1960 (U.S. Census)	22	- -	78-	- -
1964 (Boston Regional Planning Project)	16	26	41	17
1970 (MCA Estimate)	28	27	35	10

That shift is the result of a whole set of movements in and out of the Model City area over the period. To some extent, the net loss of large families has resulted from continued outmigration of white families, and more recently of black families further south to Dorchester and Mattapan. It probably also reflects some changes in household size of families who have remained in the Model City area, as children leave home and begin their own smaller households. It must represent a substantial outmigration of larger black and white families, since the Spanish population is reported to have increased substantially

over the past few years, and it tends toward even larger families than either the black or white population. Whether the shift toward smaller families -- especially single-person households -- represents simply the residual of the outmigration of larger families or immigration of smaller families is not so clear. MCA is currently undertaking analysis of migration trends based on Police Lists, and this analysis should clarify that question. It is clear that there has been a small net increase in the number of single-person households -- 4,100 in 1960, and 4,300 in 1970, but whether the new households originated inside or outside of the area is not clear. .

Judging from the figures that were presented earlier on the number of bedrooms in units currently occupied, it does not appear that the decrease in large households has left behind more large units. It may be that the units left by outmigrating families are the ones that are currently still vacant, although that should not be assumed without detailed migration analysis. A move out of the Model City area may, in fact, trigger a whole series of moves, with the units now vacant being the last in the chain. The shifts in household size clearly have not lessened the housing problems of low-income families. That is, the units vacated by families who have left the area have not been filled by other families who, in turn, left units behind for lower-income families. The "filtering" process has not occurred, either because some of the units vacated were filled by families from outside the Model City area, and certainly because some of the units vacated at some point in the series of moves were left vacant -- perhaps because their cost was too high for low-income families to manage, even if they were willing to pay more than they should have to.

Owners and Renters

The proportions of units owned and rented has also shifted slightly since 1960 -- from 21% owners in 1960 to 17% now. More important, because of the decrease in the total number of households in the area, that means there has been a larger relative loss of homeowners. In 1960, almost 4,000 owners lived in the Model City area, while the current estimate is 2,700. This is probably primarily the result of white owners continuing to leave, since the majority of families who have purchased homes outside the area under the BBURG program (the primary financing mechanism for black homebuyers, discussed in a later section) were previously renters while living in the Model City area. The absolute number of renters has also declined, from about 15,000 to 12,700.

Income

The shifts in population have left a different income pattern in the Model City area as well, which has significance to the housing market.

Table 17: Changes in income distribution, 1960-1970, Model City area, in percent of households

	\$0-3,000	\$3-6,000	\$6-10,000	\$10,000+
1960 (U.S. Census)	25	40	28	7
1970 (MCA Estimate)	35	39	19	6

The 1960 figures represent only family income (excluding single-person households), and so should be somewhat higher in comparison to 1970 figures for all households. Even allowing for this difference, though, it appears that incomes in the Model City area have been shifting downward. Incomes in the population as a whole have risen since 1960, and median income of black households, although significantly lower than for whites, has also risen since then. Observation suggests that there has been both outmigration of higher-income families from the Model City area, and immigration of families with lower incomes. Given the overall decrease in total numbers of households in the area, that means that not only a larger proportion of the households have low incomes, but the absolute number has risen as well. This has occurred while all costs of living, and especially of housing, have been steadily increasing. The problem of households who need housing at very low cost, then, has been intensified in every way -- housing costs more, and there are more families with little money to spend.

SUMMARY

1. A clear and critical need exists in the Model City area for housing at very low cost -- under \$65 monthly rent. A total of 4,350 households who can afford that housing cost at a maximum now pay more, and most of the units they live in are in poor condition.

If only current needs were met:

At least 2,000 new one-bedroom units at that cost would be needed, at least half of them for elderly households;

At least 1,750 new two- or three-bedroom units at that cost would be needed;

At least 250 new four- or more bedroom units at that cost would be needed.

The need for low-cost units is steadily increasing over time.

2. There may be a submerged demand for new or rehabilitated units at higher cost. At least 1,450 households now live in units that need repair, and can afford to pay more than they now do. Housing in good condition that could attract these families can still cost no more than \$130 monthly. In addition, 250 households who can afford that cost now pay more.
3. A need for large units exists at every cost level. There are now at least 450 families who need units with six or more bedrooms, and virtually no units of that size exist. There are 1,350 families who need four or five bedrooms, and while about that number exist in the area, it is unlikely that they are all occupied by the families who need them.
4. The large need for one-bedroom units that the analysis indicates must be understood in terms of its components rather than as a lump sum. Some of the small households who now pay more than they can afford are probably homeowners who live in units with more bedrooms than they need, but they would be unwilling to move to a smaller, less expensive rental or purchase unit. There are only 1,200 homeowners who need one-bedroom units, and presumably fewer than that number who pay too much in current housing costs. The rest of the 2,350 small households who need and cannot find one-bedroom units at very low cost are renters, probably predominantly middle-aged or older single people and couples.
5. It does appear that there is a market for homeownership, in that families who are leaving the area are (1) larger, (2) have higher incomes, and (3) leave in order to buy. Whether that market can be satisfied in the area is another issue, discussed in later sections.

How Can the Housing Needed Be Paid For?

Having identified in general terms the current need for housing in the Model City area, the next step is to examine the alternative programs for producing it. "Producing" here is used in a broad sense, to include rehabilitation as well as new construction -- the question is, how can housing units be made available to the families who now pay too much, live in homes in poor condition, need larger units -- and to the families who now occupy the homes that poorer families need?

- by building new units in good condition at low cost
- by rehabilitating existing units to change their conditions and/or their size
- by reducing the cost of existing units

This section is not intended to be a rigorous analysis of the capabilities or relative advantages of alternative financing programs; that is beyond the scope of this report, and depends largely on the circumstances of each individual development project. It is, rather, a clarification of which programs can be used to meet which component of the need for housing, and what some of the implications of using those programs are.

UNITS AT VERY LOW COST - LESS THAN \$65 MONTHLY

The only way to make units available at very low cost is to use some form of the subsidy available through the Boston Housing Authority or rent supplements in other federally-aided housing such as 221(d)(3) moderate-income units. Funding for rent supplements nationally has been grossly inadequate since the program's inception, in terms of both total funds

available and amount of subsidy allowed and it is probably not realistic to anticipate its use as a major producer of low-cost housing here - in spite of the fact that a major share of the Boston area's rent supplement units have been provided in Washington Park and the Model City area. The Housing Authority has a wide range of programs available to it -- that is, financing mechanisms that it is legally empowered to use. There are Federal programs that enable low-cost housing to be built new directly by the Authority, or to be built by private developers to be sold to the Authority, which is publicly-owned and rented to families with children or for elderly people; programs for leasing by the Authority of existing units (or newly-built units) in privately-owned housing, with the real rent paid by the Authority and low rent paid by the tenants; programs for acquiring existing housing, rehabilitating it and renting it to low-income tenants; and programs that allow low-cost units with BHA subsidies to be sold to their tenants. There are state programs as well -- for leasing and new construction for families and the elderly. Not all of these programs are now being used in the Model City area; the Housing Authority does not now have access to all of them (i.e., money applied for, granted, and waiting to be used), and some programs have been found difficult to use because they involve incredibly extensive paperwork, unrealistic cost limits and other problems. What is clear is that these programs are the only means of providing housing to most families with incomes up to \$6,000 range, at rents as low as \$65 or less. Even at that, there are families with incomes below \$3,000 who cannot afford to live in this lowest-cost publicly-assisted housing, since there are limits on the amount of subsidy the government makes available. The lowest rent paid in Boston public housing units (according to the most recent figures available) is \$45, which allows a family with \$2,700 to pay 20% of its income for housing;

families with incomes below that level cannot afford these units, and must either pay a higher proportion of their income or find units in very poor condition at lower cost. In January, 1970, units leased by the Housing Authority in private housing cost tenants from \$49 to \$80 (depending on size). Rents at that time of \$75 for a four-bedroom unit to \$80 for six bedrooms (of which only four were leased) are clearly too expensive for the large families with incomes below \$3,000.

There is also a problem with Housing Authority-administered programs in that it is difficult for them to take direct action, and therefore a full utilization of the funds they could make available hinges on other actors. The process of design and construction of new units by the Authority itself has generally not produced satisfactory results, either in the time required to bring projects from start to completion or in the quality of the housing built. Acquisition and rehabilitation programs have met with equal difficulty in other cities (Philadelphia being the prime exception), since vacant units which can be acquired are often in such an advanced state of deterioration that they cannot be brought to standard condition within the cost constraints public housing agencies must meet. Leasing programs have been generally favorably received in many cities, since ownership remains in private hands and publicly-subsidized units can be mixed with non-subsidized units rather than being concentrated in "projects". There has, however, also been opposition to leasing on the grounds that it encourages inflation in rents by paying more than units would be worth on the unsubsidized private market. It is difficult to accept that reasoning, since the rents paid by the Authority in January, 1970 (the full rent paid to landlords, not the tenant's share) for studio apartments up to three-bedroom units were well within the levels paid for most units in the Model City area, and in fact were not high enough to make leasing of many units that need substantial rehabilitation possible.

The "turnkey" method of producing publicly-assisted units -- in which responsibility for the whole development and construction process, as well as management and even sale to low income tenants, can be put in private hands -- has been successful in other states. It is only beginning to be used in Massachusetts, because court suits (by subcontractors who argue that turnkey should be subject to the same competitive bidding laws that regulate public building) have blocked it until now. Turnkey is also not an easy answer, since it relies on the willingness of private developers and builders to become involved, and on their ability to find sites (or existing units, since the program can also be used for rehabilitation) at costs low enough to let them sell completed units to the Authority at costs within limits. Like authorities building or rehabilitating housing themselves, developers have often found that only an urban renewal writedown of acquisition costs can make land inexpensive enough for public housing. Some developers in Massachusetts, who have wanted to build really low-cost units, but have been unable to use the turnkey method (because of the legal problems), have relied on leasing of a pre-arranged number of units upon completion of the projects. As land and construction costs have risen steadily over the past few years, however, they have found that the only way to build at costs low enough to meet rent limits in the leasing program has been to use other Federal or State subsidy programs intended for moderate-income families. These, in turn, have led to more processing time; and some developers have found that, by the time the permanent financing was arranged, cost increases in the meantime have made their units too expensive for the public housing authorities to lease.

All of those observations simply say that none of the options for producing directly publicly-assisted low-cost units is ideal. None can be used without considerable effort, and changes need to be made

in all of them -- increases in the subsidies to reflect the reality of housing construction and maintenance costs, reduction in the processing time so that costs do not outstrip program limits while applications are being approved. It is equally clear, however, that no other means are available to produce housing that can rent at the very low cost that is needed for the 4,000 households who now pay too much for units in poor condition. Whatever problems there are simply must be solved if the need is to be met.

UNITS AT "MODERATE" COST -- \$65 TO \$125 MONTHLY

By contrast to housing programs for low-income families, the programs that are intended for families with incomes between that level and about \$10,000 are primarily the responsibility of private developers -- but rely heavily on public actions for their success. That is, the financing mechanisms are channelled through private agencies, and developers and builders must be private corporations, but some of the problems that prevent the programs from working well can only be solved by public agencies. The moderate-income programs have the same kind of difficult cost restrictions on land and construction (as well as operating costs) that often can only be solved by using urban renewal writedowns. (Subsidized housing provided through new construction and rehabilitation in Washington Park has been able to stay generally within the cost range identified as needed, but that is becoming more difficult. In St. Joseph's Cooperative, 3-bedroom units are \$145, which is pushing the upper end of the range of rents required to satisfy needs.) Sometimes they need tax reduction agreements to keep rents as low as desired. They have the same kind of problems in processing time, which raises costs during the development process. They are so difficult to use, in fact, that there are relatively few developers who use the programs

as a matter of routine, who are "specialists" in maneuvering their way through the morass of paperwork and negotiations. If other developers -- especially community-based nonprofit corporations -- want to use the programs to build housing, they must be supported by a substantial commitment of staff assistance from some other agency, usually public.

There are two basic options for producing moderate-income rental housing -- the Federal (FHA) 236 program and the State's own financing agency, the Massachusetts Housing Finance Agency (MHFA). The 236 program has replaced the 221(d)(3) program used to build most of the new and rehabilitated housing in the Washington Park urban renewal area, although it works in a similar way. The program relies on a private source of mortgage money for projects -- such as banks or insurance companies -- and both insures the mortgage and directly "writes down" the interest rate with direct subsidy payments, so that the cost to the occupants is lower. The MHFA program works differently -- the agency acts as a direct lender, with mortgage money available at somewhat lower rates because it is raised by MHFA through the sale of bonds. In addition, MHFA requires that one-quarter of the units in a development it finances be made available to low-income families. So far in MHFA's short history, that has not been simple, since its bonds have carried a rate of interest too high to make as substantial difference as needed in rental costs. The provision of low-income units has relied, therefore, on the device of "rent skewing," in which rents in some units are higher in order to help lower rents in other similar units. That concept has met with only limited success in other places, and its usefulness here has not really been adequately tested yet. More recently, MHFA has secured a commitment from the Federal government to make \$2,800,000 in 236 funds available to MHFA projects, which can be combined with the MHFA subsidy to lower rents below the level that either program alone could make possible. That subsidy will cover about 2,800 units. MHFA has

been looked at with much higher expectations because the agency and its program is newer and less burdened with the kind of bureaucratic restrictions that have made Federal programs slow and difficult to use. Cost limits on construction and land have not yet been "frozen" at arbitrary levels to the extent they have been in the 221(d)(3) and 236 programs, and there has been a welcome tendency to deal with each project on an individual basis, and to work out solutions case by case. MHFA processing time so far has averaged around three months, by comparison to a year or 18 months for FHA processing, and this also helps avoid rising costs. Both MHFA and 236 funds can be used to build cooperatives as well as rental units, and for rehabilitation as well as new construction.

As the cost levels in "moderate-income" programs have increased, with rising costs of land and construction, rents have also risen. For most of the families who were identified in the section on housing needs who can afford costs higher than public housing rents and whose incomes exceed public housing eligibility limits, these subsidized programs are about the only means of providing new or rehabilitated units in good condition. There are other means of building new or rehabilitating existing housing, obviously, using money available at market rates of interest, and some Federal programs that assist that kind of housing by insuring -- but not writing down -- mortgages. That kind of housing is only feasible for those who can afford monthly costs of about \$200 or more, however, and only one out of every 15 Model City households are in that category.

HOUSING FOR HOMEOWNERSHIP

There are programs designed to produce homeownership housing for a range of income levels. The public housing program can be used to allow

low-income families to buy units without raising their monthly housing expenses very far beyond what they would pay to rent. The Federal 235 program for homeownership works like the 236 rental program, and MHFA funds can be used for homeownership as well as rental programs. There are also programs that produce ownership housing at unsubsidized market levels of cost. The Model City Administration has already had an extensive study prepared outlining a program to provide homeownership opportunities (by Housing Innovations, Inc., in September 1968), which explores the problems and actions required at a much deeper level of detail and thoroughness than this study could attempt. Some of the recommendations of that study have begun to be implemented, and some experiments in homeownership for Model City families have been attempted. These are reviewed and evaluated in a later section of this report. Other approaches have not yet been tried, and the recommendations of the Housing Innovations report with regard to how other programs could be made workable are as appropriate today as they were two years ago. Some of the programs discussed in that report have since been phased out (the 221(d)(3) and 221(h) programs) and replaced by newer versions, but the newer programs are affected by some of the same problems described in that report.

SUMMARY

The public housing leasing and turnkey programs appear to hold the most promise for meeting the needs for very low-cost housing in the Model City area. They can be used with either new construction or rehabilitation of existing housing, can involve either public or private acquisition of land, use private development and construction capabilities, and can be designed for public or private management for rental, cooperative or individual ownership. An acquisition and rehabilitation

program might be possible as a means of salvaging vacant and abandoned buildings in the area, but its feasibility must be demonstrated by a careful analysis of the costs involved for a specific set of buildings. To the extent that there is a policy choice for the MCA to make -- whether to concentrate on production of low-cost units principally through Housing Authority financing tools, or to concentrate on production of moderate-income housing for rental or ownership -- it seems clear that the magnitude of the need for low-cost housing demands primary attention. It is an area of need which cannot be met without direct public involvement, and in which programs are a matter of public responsibility to initiate.

The MHFA program for low and moderate-income families clearly seems to be a better option than using Federal 236 funds alone. The recent action of the General Court in raising the bonding capacity of the agency from \$50 to \$500 million creates a new opportunity, and the MCA should work to capture a substantial amount of MHFA funding for the Model City area. MHFA funds, as discussed above, can carry an additional 236 subsidy, and they avoid the necessity of relying solely on private mortgage lending sources. MHFA funds are also extremely flexible with respect to the options of new construction and rehabilitation, and alternative management arrangements. Finally, MHFA is a "local" program whose only responsibility is housing needs in this state, by contrast to FHA, and should be expected to make a favorable response to an energetic program by the Boston Model City program.

Housing Development Issues

40

Preceding sections of this report have developed estimates of housing need, based on analysis of information about the current state of the Model City area housing stock and about the kind of people who live in it. They have also identified and briefly described what appear to be the best program options for producing low and moderate-income housing that can meet the needs of Model City families.

Part of the work involved in the study also explored issues apart from need and ways to meet it -- issues about how housing should be developed, rather than what kind and how much. Many of the interviews with people familiar with the Model City housing market revolved around these issues, rather than with technical aspects of housing development. People interviewed responded to questions -- and volunteered opinions, information and attitudes -- about the process by which housing should be planned and built. Their statements reflect their perception of programs that have been carried out in the past or are being now -- the Washington Park renewal project, the Boston Urban Rehabilitation Project (BURP), the infill housing program -- as well as their perceptions of the Model Cities program and the Model City Administration. They commented on the relative roles they saw as appropriate and productive for the MCA and other actors like the Boston Housing Authority, the Boston Redevelopment Authority, private developers, community-based organizations and institutions, non-profit sponsors, and others.

This section of the report outlines those issues, and analyzes the information gained from the discussions. The next section explores one of those issues, which was one of the major focusses of the study -- homeownership for Model City families -- in a much more detailed examination of experiments and programs which have been carried on to date.

SPONSORSHIP

There are two divergent views of the importance of sponsorship of housing development projects in the Model City area. One holds that the need for housing in decent condition at reasonable cost is so great that producing it is the highest priority in the mind of the community, and that who builds it is inconsequential; whatever is built will be used. That fact, combined with the problem that community-based non-profit sponsors are inexperienced and that projects move more slowly because the sponsor must learn by doing, leads to the conclusion that sponsorship is a secondary consideration and that the "sponsor" or agent of development should be whoever can produce housing quickly and well. The countering view argues that the success of a housing production program rests heavily on who the sponsor is. The housing that is produced will better satisfy the needs of the community if those who know the community well, and can generate participation in planning by the kinds of people who will use the housing, are the vehicle for development activity; and the response of the community will be more positive if residents have been involved and feel responsible for what has been done. That view is supported by the argument that the kinds of developers who do know how to produce housing quickly and more efficiently are only marginally interested in becoming involved in the Model City area, since the problems are more

complex and difficult, and they have other options for using their skills elsewhere.

The attitudes represented by the interviews have been heavily influenced by past experiences with housing development activity in the area -- and as much by the reactions of those who have not been directly involved before, and so may misperceive problems and reasons behind decisions which they see from the outside. Almost universally, evaluation of new construction projects in Washington Park has been more favorable toward Marksdale Gardens and St. Joseph cooperative than toward other projects developed principally by commercial builders, and both the sponsors of those two projects and observers not connected with any of the developments attribute much of the difference to non-profit church sponsorship. Even when non-profit sponsors do not perform efficiently, and even when the quality of the final product -- the housing units and the management of them -- is not considered to be overwhelmingly different from or better than commercially-developed housing, still the assumption of good intentions on the part of the sponsor is a strong advantage. Negative reaction to the BURP program -- not only to problems with the quality of the rehabilitation work itself, but equally to the assumption that the motives of the developers was principally to profit from a publicly-supported effort at the expense of the community -- has also played a strong role in influencing attitudes toward sponsorship.

Some of the attitudes about non-profit sponsorship recognize that there is not a simple answer. There are very real limitations on the capacities of community-based sponsors who are unfamiliar with financing and government subsidy programs and regulations, and even with the normal process of housing development as it relates to zoning and building code regulations, construction techniques and labor

arrangements, and management problems. Some people in the community who are advocates of local sponsorship recognize that much of the work will be done, and can best be done, by commercial firms who have technical capacity and experience. Locally sponsored projects -- whether new construction or rehabilitation -- will always rely on contracting of construction and often of much of the development function like "packaging" of the project and negotiating for financing, as well as contracting of management after completion. They recognize that the best option at present is for local sponsors to develop as close a working relationship as possible with commercial developers so that sponsors can learn the technical aspects of development without delaying current projects, and that the time when non-profit sponsors can shoulder the entire job is far into the future. Some of those who have been most directly involved with locally sponsored activity, in fact, have concluded that the limitations on the role of community organizations and institutions is a sensible division of labor, rather than a temporary phase. They feel that the most appropriate function for sponsors is one of planning and of generating genuine and productive community involvement -- that sponsors should initiate and supervise development activity rather than try to duplicate the skill and experience that commercial developers already have.

One of the critical problems that underlies the issue of local sponsorship is the low level of community organization in the Model City area, and the changing role of institutions in the community which normally act as sponsors in other kinds of places. There are churches that have become sponsors in the past, or might in the future. The Ecumenical Social Action Committee in Sub-area 1 (involving Our Lady of Lourdes, St. Mary's, St. Andrew's Methodist, United Baptist, Boylston Congregational, and St. John's Episcopal) is now a sponsor for a pilot home ownership rehabilitation project. St. James and

St. John (Episcopal) in Sub-area 2 is anxious to explore the possibility of acting as a sponsor for housing development. St. Patrick's, now involved in Sub-areas 3 and 4 in housing as well as other activities, could be a logical sponsor for housing development there. St. Leo's in Sub-area 6 is a participant in sponsorship of the Lena Park project, and might be involved in further activity. St. Joseph's and St. Mark's Congregational have already been sponsors for new construction. Other local churches -- including People's Baptist, Union Methodist, 12th Baptist and Eliot Congregational -- have either been interested in sponsorship in the past or are considering it now.

But the potential value of churches as sponsors involves problems -- different in kind from the role of commercial developers, but no less serious and difficult to overcome. The role of Roman Catholic parishes in the Model City area, and in other inner city neighborhoods, is changing as the community changes, and the organizational structure of the church itself is undergoing modifications internally and externally. Many local parishes have considerable financial troubles, as congregations become smaller and poorer, and that affects their ability to act as housing sponsors as much as it affects the future of parochial schools. A reassessment of the whole inner city archdicesan structure is likely with the appointment of Archbishop Madeiro, and that could delay an expansion of involvement of Model City parishes as sponsors.

Other denominations have problems as well, that could affect either their willingness to become involved or their ability to perform effectively if they are willing. Churches only reach parts of the community in the composition of their congregations, and they are not always looked to as natural spokesmen or leaders by those who are not affiliated with them. And building a coalition of churches, in order to combine strengths and to build in a wider spectrum of involvement,

is often a major effort in itself, that could take longer than planning a housing development project.

Other kinds of community institutions and organizations which could act as sponsors are not either as numerous as the churches or as internally organized, although many people feel they reach a part of the community that churches cannot and do not. The Lower Roxbury Community Corporation is the sponsor of a major new construction project in the Madison Park renewal area. The Roxbury Action Program is undertaking a rehabilitation project in Sub-area 2. Freedom House is the sponsor of a proposed new construction project in Sub-area 5. Some neighborhoods in the Model City area are generally unorganized altogether, and in some cases the associations and organizations that do exist or are emerging have not chosen the role of sponsorship for new construction or rehabilitation. Building a new community organization, whether within a neighborhood or as a vehicle for meeting the needs of an interest group that is not geographically localized, is not a simple thing to accomplish, and -- like coalitions of churches -- might take longer to develop than a housing project itself would.

Non-profit sponsors often have relatively little to offer, except for a base in the community, which can help make housing development happen -- and if their role as community institutions or mobilizers is in question, so is the advantage of their involvement. An often presumed value of non-profit sponsors -- besides their willingness to do development work without a fee, which is supposed to lower costs of development * -- is access either to land or to sources of "seed

* Although experience has been disappointing, since projects involving non-profit sponsors have often taken longer to plan and carry out, and costs have been equal to or higher than commercial projects which do include a developer's profit.

"money" necessary to plan a project before financing can be arranged. In the case of most Model City area potential sponsors, that is not the case. Local churches do not have extensive land holdings as churches in some communities do (many have none, except the site of the church itself), and most local church budgets are limited. Some churches can bring unique resources to bear: at Marksdale Gardens, a member of the church's congregation who is retired acts as manager, which saves on operating costs; and another current church sponsor pointed out that local congregations affiliated with national denominational groups could work to arrange bonding for local contractors through the insurance companies which service the denomination. Many potential sponsors do not even have the financial resources to support a community organization effort, much less to pay for the kind of technical work necessary for housing development that must precede financing -- architectural and engineering work, legal services, market studies, and so forth.

The reality of the situation is that if local non-profit sponsors are to play a significant role in Model City housing development activity, they will have to receive extensive support from the MCA in the form of staff services and funds. There are other sources of seed money (FHA Section 106 funds, the new Greater Boston Community Housing, Inc., and private organizations like the Foundation for Cooperative Housing and the United Housing Foundation in New York, but Model Cities funds would be required, even if some other money sources can be tapped, for community organization activity which is generally not covered or only peripherally provided for by seed money funds.

REHABILITATION AND NEW CONSTRUCTION AS ALTERNATIVE HOUSING PRODUCTION TECHNIQUES

Like the issue of local sponsorship, there are two fairly distinct positions expressed about the relative value of rehabilitation and new construction as alternative methods for producing the housing units needed in the Model City area. Proponents of new construction argue that rehabilitation is too risky to count on cost advantages over new construction. They feel that many of the abandoned buildings -- which are an obvious prime target for rehabilitation since no relocation is necessary -- are so extensively damaged and vandalized that they are not worth saving, and that the land they occupy can be better utilized by more intensive new development. Proponents of rehabilitation counter that new construction takes longer and is more expensive. They point to a negative reaction in the community to the new construction in Washington Park, and argue that most Model City residents believe -- whether justifiably or not -- that the older buildings are more substantial and are certainly more familiar in style, and that people are more comfortable in them. They also point out that rehabilitation is more likely to be able to utilize local contractors, who do not have the financial or organizational capability to undertake major new construction projects, but can work on smaller rehab packages.

The evidence to support either side of the case is mixed at best. There has been vocal dissatisfaction with some new construction in Washington Park, especially with Academy Homes. But even there and in the rest of the 221(d)(3) developments, vacancy rates are extremely low, turnover of tenants is infrequent relative to other housing in the area, and waiting lists are long. There has also been the same kind of negative reaction to housing produced under the BURP program, the major test of rehabilitation on a scale comparable to the amount of new construction in Washington Park.

Most of the people interviewed indicated that the community's preference is strongly in favor of rehabilitation. They sense that this is as much a result of fear of an uncontrolled process of demolition and redevelopment, as of an actual faith in rehabilitation as a means of producing satisfactory units. One of the major sources of dissatisfaction with the Washington Park project, on the part of those who were actively involved in planning of it as well as those who were not, was reportedly that the concept of only demolishing unsound structures or those strictly needed to assemble re-use parcels was not adhered to during execution. They feel that many buildings of good quality were sacrificed, and fear that it will happen again if redevelopment and new construction is made a major emphasis.

That problem is partially solved if new construction is concentrated on currently vacant sites, but that means that redevelopment would not be used as a means of eliminating vacant abandoned structures. Rehabilitation of currently occupied units would not add to the total supply of housing, but given the decreasing population in the Model City area, it is doubtful if major expansion of the supply is a valid objective.

The issue of rehabilitation is also complicated by the relatively low rent level and income level in the Model City area. Most people interviewed, and other studies in the area, have indicated that the major cause of deterioration in the housing stock is not a deliberate failure by owners to maintain. The household survey conducted by the MCA in 1969 indicated that the condition of housing, as evaluated by its occupants, was not significantly worse for absentee-owned property than for resident-owned buildings. The survey also showed that tenants felt absentee owners responded to complaints about as well as resident owners did. The problem, rather, is that the amount of rental income produced by property simply is not sufficient to provide adequate

maintenance -- that incomes are too low more than that housing costs too much. That problem is aggravated as property changes hands, since the owner selling tries to make a profit and new mortgages are more expensive, so that even more of an already limited rental income is drawn off into debt retirement, and less if any is left for repairs. That means that a major thrust using code enforcement as the primary tool is not likely to result in extensive improvement through enforced rehabilitation. Abandonment of buildings appears to be accelerating in recent years, and that process could be intensified. That is not to say that there are not absentee owners who do deliberately overcharge and undermaintain; it is simply to say that action that will solve that part of the problem must be accomplished through selective rather than blanket treatment.

The tight money situation also means that rehabilitation -- or new construction -- will have to be heavily subsidized. Low-income families already pay more than they can afford for housing in poor condition, and they cannot absorb the costs of rehabilitation in increased rents. That points to a major expansion of the leasing program administered by the Housing Authority, or the initiation of an acquisition and rehabilitation program which can utilize BHA subsidies both to pay for rehabilitation and lower rents to tenants already pushed beyond their limits.

The rehabilitation of occupied and of vacant units presents two distinct sets of problems, although they are related. Units now occupied can only be rehabilitated if adequate relocation housing is available for the current tenants, and that means (1) rehabilitation first of vacant units, (2) new construction to precede rehabilitation, or (3) relocation of tenants outside of the area. The first is clearly the best option, unless a large number of tenants are identified who prefer to move out;

from all indications developed during this study, that is not the case. A major source of vacant units where rehabilitation could take place without relocation and without disrupting other tenants is in totally vacant structures.

The problem of acquisition appears to be the major stumbling block. The MCA is currently engaged in a survey of vacant units to assess feasibility of rehabilitation, and when that is completed targets can be set. Acquisition can be accomplished, if rehabilitation cost is estimated to be manageable, in one of four ways:

- (1) Acquisition by the BRA in renewal areas.
- (2) Acquisition by the BHA through an acquisition and rehabilitation program. A "turnkey" rehabilitation effort, although it may produce units better or more quickly by relying on private development capabilities, also leaves acquisition problems up to private developers who have no legal means to acquire if owners are unwilling or cannot be located. Eminent domain proceedings, while time-consuming and involved themselves, do provide a means to acquire properties that owners will not sell even if they have no plans to rehabilitate and cannot rent buildings in their present condition. In those cases where owners have abandoned buildings and cannot be located, eminent domain suits can be filed with the Secretary of State acting on behalf of the owner.
- (3) Foreclosure by the City in cases where property is tax delinquent. Currently, taxes must be unpaid for three years or more before title to the property can be taken. Efforts have been made repeatedly to develop a procedure for waiver of this requirement under conditions like those that characterize the Model City area, and they have been unsuccessful so far. Opposition has come from those who fear an unwarranted intrusion on property rights of legitimate owners, who do not intend to abandon property but have

severe financial problems that cause tax delinquency, as well as from those who support real estate interests who have hopes of salvaging some resale value from property they no longer intend to use. It should not be that difficult in reality to draw the distinction between properties owned by resident owners with financial problems and properties with a long history of code violations and evictions concluded by wholesale abandonment, but political decision-making has not yet responded to that distinction.

- (4) Negotiated or induced purchase, which will probably be useful only in a limited number of cases. The sales price which an owner of an abandoned building would be willing to accept would most likely reflect the problem described earlier. The building has been abandoned because vacancy rates were high or tenant-management relations intolerable, because the condition of the building has been allowed to deteriorate, because so much of rental income had to go to support an inflated purchase price and mortgage rate. The acquisition price demanded by the owner will reflect that inflated value, unless he can be convinced that some sales value is better than the inevitability of tax foreclosure. It might be possible to acquire buildings in that situation before abandonment, if the willingness of a public agency or a private developer in a turnkey relationship were made known in the area.

Another aspect of the rehabilitation issue has to do with its strategic role, as a stimulus to generate a sense that conditions in the community are being improved. Interviews, especially with those who have been involved in rehabilitation in the past or are now, emphasized that "spot rehab" of one or a few buildings in a marginal block in the hope that it will stimulate second-round activity generally will not work. Rehabilitation of the few worst structures in a block where

most of the housing is relatively better is a good strategy, but otherwise rehabilitation must involve some kind of comprehensive treatment for all buildings in need of repair. In the light of the conclusions drawn earlier about the usefulness of code enforcement as a spur to rehabilitation, the only way to accomplish that kind of coverage is through urban renewal activity.

The suggestion has been made that commercial banks and other financing institutions be encouraged to develop a rehabilitation loan pool, on the model of the BBURG program for home purchase mortgages. There are two problems with that concept:

- (1) There is no government program to insure rehabilitation loans except those which carry income limitations and subsidized interest rates (or can only be used in current or proposed renewal treatment areas), and which are oversubscribed. Lending institutions who have not been willing to make such loans before may not be more willing to do so now simply because responsibility is pooled. The BBURG program, even when it involves mortgage lending at market-level interest rates, is supported by FHA insurance for which the borrower pays.
- (2) Commercial home improvement loans normally do not cover substantial rehabilitation, which must instead be financed through remortgaging of the entire value of the property. For the relatively small amounts which are lent, typical terms are an interest rate of 12% and a term of five years. Only \$1,000 on those terms would cost a homeowner an additional \$22.25 monthly; \$5,000 would cost \$111.23. Lowering the interest rate by a full percentage point would not do as much as lengthening the term by a year, and even that only reduces the payment on a loan of \$1,000 to \$19.56.

There might be some value in establishing such a pool for homeowners whose incomes can support that kind of cost and who are beyond the limits of subsidized rehabilitation programs, if the extent of repairs needed is limited and if their only problem is access to money because of the area. In those circumstances, money under some terms is better than no money at all; the priority on such an effort is low, however, considering other needs for activity by the MCA.

It would be a fair conclusion to state that the community's preference for rehabilitation does not recognize some of the problems outlined, and is based rather on the presumption that rehabilitation is simpler, cheaper and faster. The response to the infill program suggests that people will welcome new construction, and especially like the modest-scale, scattered-site approach the infill effort is based on. If anything, in fact, the neighborhoods which have indicated a willingness to absorb infill units are disappointed because they have not come sooner. The instances in which it has been rejected or opposed, by contrast, have had little to do with the issue of new construction versus rehabilitation; people have objected to the introduction of large-family units or of public housing tenants, but this is the need and it must be satisfied where it can be, by either method of production.

THE ROLE OF THE BOSTON HOUSING AUTHORITY

Interviews inevitably touched on perceptions of the BHA, and on the prospects for its role in housing development in the Model City area. The attitudes expressed about the BHA were neither surprising or novel -- people in the community are generally dissatisfied with public housing as an institution, perceive that management of existing

projects is a critical problem and that conditions in them are bad. That dissatisfaction is not only or even principally a response to poor physical conditions or the dreariness of large projects -- but also to the inevitable social problems inherent in a large concentration of low-income families, and especially to the lack of adequate security and of supporting social services. Two significant exceptions to this generally negative view of public housing should be described, however, because they have considerable importance to development of a housing program.

First, the intensity of the adverse reaction to public housing appears to decrease with distance -- either physical or psychological -- from the worst of the existing projects. Even people who are familiar with Orchard Park (generally referred to as the example of public housing at its worst) express belief or at least hope that new public housing will not be as bad as the old. Interviews in Sub-area 6 reflected a reasonably good image even of public housing projects (by contrast to the concept of subsidized low-income housing), because Franklin Field and Franklin Hill are reportedly better maintained and managed and are closer to being racially mixed. People who are less familiar with existing projects tend to be less antagonistic toward the concept of building new projects in neighborhoods that now have no public housing. That clearly should not be taken to mean that residents of those neighborhoods are anxious to have public housing built; in fact, the neighborhoods where incomes are higher, resident homeownership more predominant and families more middle-class and upwardly mobile are defensive on the whole, and view proposals for substantial infusions of low-income housing as a threat. Even in some of those neighborhoods, however, there has reportedly been a relatively good reaction to the infill concept, since it does not produce large, obvious concentrations of housing that is different from existing housing in style and economic level of the occupants.

Second, most of the community recognizes that there is a desperate need for decent housing at very low cost, and recognize further that subsidy by the Housing Authority is virtually the only way of meeting that need. They distinguish between public housing as an institution -- the stereotype of the "project" -- and public housing subsidy as a means of reducing housing costs and improving housing conditions. In neighborhoods that could be expected to be hostile to proposals for new public housing construction, residents are willing to see units subsidized under the leasing program -- not only for elderly tenants, but also for families who are already in the neighborhood and have nowhere else to go, and who without leasing will continue to occupy substandard units and pay more than they can afford.

The issue of public housing and the BHA as the prime agent for producing it is a critical one to the Model Cities program here, because the need for low-cost housing has been shown to be large by contrast to the need for housing at moderate cost. While most critics and supporters of public housing agree that mixed-income developments that avoid large concentrations of low-income families are preferable for both the occupants and the neighborhoods involved, the weight of the numbers alone in the Model City area point in the other direction. If large numbers of units -- whether newly built or rehabilitated, by public or private initiative -- are not provided, it simply means that the problem will remain and probably grow worse, since there are few other places where low-income black and Spanish families can go. In the short run at least, public housing appears to be the only answer, and so creative ways of using and improving it must be found.

Some of these are already being explored, although progress has been slow. The movement toward private management of existing projects, by either tenant cooperatives or private management agents, has been

favorably received. Turnkey construction, in other states -- although it has not met expectations -- has improved the time required for production and the quality of the product, and further simplification of the red tape involved would only make that option better. A few housing authorities have made maximum use of the acquisition and rehabilitation method of production, and their experience should be helpful in dealing with local problems even when there are significant differences in conditions. Some observers have seen a hopeful sign in the attempts to reorganize and improve the internal structure of the BHA, especially in the area of housing development. Taken together, these changes in the traditional public housing mechanism are steps in the right direction, even if they are moving slowly; they will not move faster unless pressures are increased by heavier demands being placed on the mechanism to produce. One thing is clear: the alternative to using public housing programs in the best way they can be used is to forego dealing with the problem of housing for low-income families entirely, and that is no choice at all.

PRIVATE MANAGEMENT

Part of the problem of management has already been discussed in the section on rehabilitation, although the issue clearly goes much deeper than the question of whether buildings are deliberately allowed to deteriorate through neglect. Discussions in the area repeatedly emphasized that bad relationships between tenants and owners at every level and around every aspect of housing management is one of the most critical problems in the area, and no solutions appear to be evident. To a large extent, that is because the problem is the consequence of conditions beyond the control of either actor in the relationship. Incomes in the area are so low that they cannot support adequate

maintenance, and operating costs as well as debt service costs on mortgages are increasing; both landlords and tenants are in a bad situation, and neither can do much about it. An atmosphere of mutual distrust and resentment means that problems that could be solved fairly simply become confrontations, as often because neither party talks to the other at all as because they have talked and cannot resolve a problem.

Some large property owners in the Model City area have sold their buildings entirely because they have seen no solution to the problem, and some others reportedly would if they could find buyers. Tenant cooperatives have not really proved to be a solution, because tenants do not want the burden of responsibility for a building in which costs simply do not meet expenses any more than absentee owners do. The difficulty which has been experienced in attempting to change the management structure at Academy Homes is an indication that that problem can affect new construction as well as older buildings, although that is a special case where problems other than inadequate rental income have caused most of the difficulty.

Some people interviewed suggested that part of the solution might be to arrange for transfer of ownership from white absentee landlords to local black property managers, but that is clearly no automatic answer either. Some black landlords are mistrusted fully as much as white owners. Black landlords who do have good motivations and reputations have no better access to funds for acquisition or rehabilitation than current white owners. Some who made the suggestion openly admitted that a transfer of ownership would have to be accompanied by rehabilitation and increased rents, if the condition of the housing were to be improved; that does not solve the problem of management at all -- it simply moves a low-income tenant to another building.

The MCA already is involved in attempting to develop management capability within the community through staff services and program funds, and beyond that there is little anyone can do to solve the problem strictly as it relates to management. Clearly, if subsidy funds available to supplement the amounts low-income tenants can pay are increased, so that property can be rehabilitated when necessary and maintained after that, the problem of management would be much simpler -- whether management were provided personally by owners, by commercial management firms, or by tenant cooperatives. But that would not solve a management problem alone; it would solve a major part of the housing problem. Under those conditions a strong argument could probably be made for community-based management, since low-income tenants would still have problems, with which managers of property who themselves had experienced the same problems might be more effective. In the current situation, however, the "management problem" is how to make inadequate funds meet increasing costs, and community-based managers are not better at that impossible job than another kind of manager is. In fact, managers who have had extensive experience should be better equipped; much of the Model Cities property is not in their hands either, through ownership or by contract. Rather, it is owned by investors who are at best amateurs at management and tenant relations, who cannot afford -- if they wanted to -- to make use of the kind of management skills that might be able to stretch limited dollars a little further. Further, those management skills are in short supply altogether, for any kind of property, and are not likely to be more available in the Model City area.

In short, the management problem is a bleak picture, and will not be solved without more basic solutions of the problems that cause it.

USE OF LOCAL CONTRACTORS

Much of the discussion in local interviews, as is clear from the description of the issues involved in sponsorship and management, focussed on making maximum use of resources within the community in a Model City housing development program. Another related issue revolves around the role of local black contractors in new construction and rehabilitation. Again, there are two fairly distinct sides of the issue. One has already been touched on: some community people feel that developers and builders from outside the area become involved simply to make a safe profit in publicly-supported programs. They have no interest in the community, because they are not a part of it; they can afford to do second-rate work because they will not have to deal with the problems it creates. They can also afford it because public agencies and private sponsors feel they have no choice, since most builders who do have experience in and capability for undertaking major new construction and rehabilitation projects are based outside of the area. They feel that local builders have more of a commitment to the area, and are familiar with unusual problems, especially of rehabilitation because they have worked with buildings in the Model City neighborhoods.

On the other side of the issue, those who feel that builders from outside the area must play a major role point out that local contractors do, in fact, have problems that cannot be ignored simply because the principle of local involvement is an important one. Many local contractors do have limited experience, both in undertaking major construction projects and in managing them in a business sense. They need training in cost accounting, job estimating and personnel management -- and involving them in projects without the benefit of that training would be dangerous for the contractors as well as for

the project. Some projects where local contractors have been involved -- such as the BURP program -- have not produced satisfactory results; many of the problems have resulted from funds inadequate to do quality work, whether done by white or black contractors. Some local contractors who have become involved in rehabilitation have also lost money, which they especially cannot afford to do. Projects which have been undertaken by developers based outside the community have employed black workers and subcontractors, and so the argument that money leaves the community and does not produce second-round benefits by circulating there is not totally accurate. Finally, even local black contractors themselves point out that projects involving use of local labor must be supported by training funds, because the rate of productivity is lower and will jeopardize an already tight budget unless the extra costs of on-the-job training are subsidized.

Efforts to involve local contractors in development work in the Model City area have already been initiated, by the MCA and by other agencies. The Contractors Association of Boston provides management training for local contractors, and is being supported in that work by the MCA. There are very real limitations on what CAB can do, because funds must be generated principally from grants and contributions; obviously, attempting to support a program for contractors who have financial as well as other problems by requiring substantial dues payments would be self-defeating. That means that CAB's funds are limited, and there are many local firms who need help. Programs for on-the-job training of black construction workers are already supported by MCA funds; the issue of construction unions and minority laborers is clearly a larger one than the context of the Model Cities program, and can only be approached at a limited scale by the MCA.

The MCA can take the initiative in building local contractors into development projects which are supported by the program. Clearly, its role in that regard will be an indirect one, since the MCA cannot act as the sponsor or builder of housing, and in trying to encourage development activity that would not otherwise take place, the MCA is often hardly in the position of attaching conditions to projects. Wherever it is possible, certainly, involvement of local builders should be a prime objective. The reality is that, in the near future, that will necessarily involve joint ventures with construction firms who have access to construction financing, bonding, and a skilled labor force as well as experience in managing large projects. But while that arrangement is necessary now, it should be clearly acknowledged that this is only the means to an end, and that it involves problems as well as benefits. Some local contractors who are willing to participate in joint ventures will inevitably resent the implication that they need the support of another firm, especially one from outside the community. Much of the benefit of joint ventures relies on the sensitivity of the "outside" participant, and on his recognition that the experience will be a mutual learning process. While such arrangements are necessary now, as an expedient, efforts should be made concurrently to insure that when local contractors have developed the capability to undertake major work themselves, they will have equal access to bonding and financing. One method could be to file and support legislation at the state level equivalent to the FAIR plan for homeowner's insurance, which would require bonding companies to provide the required performance bonds as a condition of doing business, on an assigned-risk-pool basis if necessary.

Home Ownership in the Model City Area: Can It Work?

THE DEMAND

The simple question "Is there a demand for homes for purchase in the Model Cities area of Boston?" has an equally simple answer -- "Yes". As one realtor pointed out to us, "That's what keeps a lot of us in business in Roxbury". Obviously the question is too simple. The real issue, as far as the Model Cities program is concerned, is whether a demand exists for homeownership that is large enough and of such a type that it makes sense for the MCA to deal with it programmatically.

In classic economic terms, there are two aspects to demand -- "simple" demand or desire, and "effective" demand which can really make itself felt. Every source of data and opinion which exists indicates that there is a large reservoir of families in the Model City area who want to own homes:

- (1) In a 1967 survey of 112 rental residents in a three-block area of Roxbury carried out by NECDEC for Housing Innovations, Inc., 64% of those interviewed stated they would like to own homes.*
- (2) In a period of two years, from 1968-1970, the Boston Banks Urban Renewal Group (BBURG) granted 1,500 mortgage loans of which one sample survey shows that 58% or about 870 were for Model Cities area residents (at the time of application).**

* A Home Ownership Proposal for the Boston Model Cities Area, Vol. II,
Housing Innovations, Inc., Summer, 1968, Boston, pp. 21-23.

** See Appendix A for additional data on this sampling of BBURG mortgagors, completed during the summer of 1970.

- (3) In 1968 the St. Joseph's Homes Cooperative had 1,200 applications for 136 homes, of which 41% or 492 were from residents of the Model Cities area.* While not all of the applications would have qualified for admittance, and the cooperative is an unusual form of ownership, this is still another piece of evidence suggestive of a sizeable desire for homeownership.
- (4) In the fall of 1969 the Phalanx Homes development attracted "hundreds" of potential buyers in the words of the realtor who handled the properties.**
- (5) In 60 interviews during the summer of 1970 with realtors, bankers, contractors, clergymen, MCA and MNB employees and board members, and other residents of the Model Cities area, there was unanimous agreement on the fact that people in Roxbury want to own their own homes.***

None of these arguments is conclusive in itself; but when added together, and in the absence of important contradictory evidence (two apparent pieces of contradiction will be dealt with below), the evidence is at least persuasive if not conclusive that home ownership is desired in the Model Cities area. And it would be surprising if this were not the case. Home ownership has been a desire among Americans for generations and there is no reason why Roxbury families should display a different set of aspirations.

* These data are derived from records of the St. Joseph's Homes Cooperative as compiled by the staff of the Boston Model Cities program.

** Interview with Samuel McCoy, summer 1970.

*** Interviews completed by Justin Gray Associates. For a list of those interviewed, see Appendix B.

Home ownership is viewed by many people as a means for improving the individual's situation as well as stabilizing and strengthening the community, and in many cases rightly so. Opportunities for home ownership are often the key to improving other city services as well, since "a stable, permanent community won't put up with bad schools".

It is next important to answer the other part of the demand question -- is there effective demand. That is, can all these families who want to own homes manage it. Financially, it seems clear that they can.

- (1) Table 4 on page 47 of A Home Ownership Proposal for the Boston Model Cities Area, Vol. II shows that with a combination of federal subsidies families with a gross income of under \$4,000 can afford to own new three-family homes or rehabilitated two- or three-family homes. The table was completed two years ago, but up-to-date figures indicate that home ownership is still a possibility in 1970 under similar conditions.*
- (2) The BBURG program has financed mortgages for families with an income as low as \$3,180 per year.**
- (3) Applications were accepted for the homeownership program managed by Housing Innovations, Inc. (Quincy Geneva Demonstration Project) where the family income was as low as \$4,100 per year. Lack of

* This information is further documented in Rehabilitation Finance Programs, Housing Innovations, Inc., July 17, 1970, Boston.

** Studies of 100 and 410 BBURG mortgage applications done 2/10/69 by Dorothy Dennis and 2/1/70 by Ivory Woods, both of the Boston Model Cities staff.

income was not the cause of failure to complete the sale of a home in these cases.*

But perhaps more important to successful home ownership than financial capability is the life style and personal qualities of the potential owners. In "A Home Ownership Proposal...", Housing Innovations, Inc., cites the qualities of "responsibility, stability, and management and maintenance knowhow" (p. 3) as of equal importance with family earning power in the home ownership picture. They assert, and we strongly agree, that those traits "can be found and developed" among people of all income levels".

From every indication, then, the market for home ownership exists in both a quantity and quality that demands Model Cities action. The data that exist, though they are not conclusive (and probably never can be), would indicate that between one-half and two-thirds of all those families identified earlier in this report as in need of better housing at a more reasonable price would like to own their own homes and are capable of achieving that goal if certain programs are made available to them. Furthermore, the programs that can help make that home ownership possible exist and are applicable, albeit in restricted quantities, in the Boston Model City area. Even if the one-half to one-third figure above is too high by a factor of 3, the resulting effective demand is still greater than the Model City program is likely to be able to respond to in the near future. The task, then, is to design a strategy aimed at making the maximum number of homes available for purchase in the Model City area.

* Interview with HII, summer 1970.

THE EXPERIENCE

Of course, that's too simple too. At least two efforts at conventional home ownership (as opposed to cooperatives or condominiums) have had great difficulty in achieving success. Clearly, there must be certain conditions which are favorable to homeownership and others which are not. Some analysis of these two efforts, as well as the BBURG program may be helpful in describing conditions which aid home ownership programs.*

The Quincy Geneva Demonstration Block is a small pilot project aimed at testing the feasibility of a rehabilitation-home ownership program in the heart of the Model Cities area. Its initial goal was to purchase and rehabilitate 35 absentee-owned, residential structures and two blocks of commercial properties within a three-block test area. The structures would then be resold to new owners who would occupy one apartment and act as landlord for the other one or two units. The concepts of sweat equity and social services, including training in home-ownership skills, were built into the project, and a system of block deposits was used to reduce or eliminate down payments. The average sales price for a three-family house was estimated to be approximately \$18,000 after rehabilitation. Leases with the Boston Housing Authority for all non-owner-occupied units were contemplated.

To date the Foundation for Housing Innovation and Intervale Associates have acquired title to 18 buildings (48 units) and hold options on

* For additional case studies further afield, see Appendix B, HII,
A Home Ownership Proposal for the Boston Model Cities Area, Vol. II.

several others. Varying degrees of rehabilitation have been carried out. The units are all full on a renter basis, but only one property has been sold and other sales are not contemplated in the near future.

The Phalanx Homes Development consisted of 15 new one-family homes (11 two-bedroom and four three-bedroom) which were built in the Washington Park Urban Renewal area on land acquired from the Boston Redevelopment Authority. They were built between October 1968 and the fall of 1969. They carried standard FHA 203b mortgages and the sales price ranged from \$16,500 to \$18,300. The homes were of row house construction style. The details of the program were standard, and no special concepts such as sweat equity, extra-low down payments or home ownership training were built in.

To date all but one of the homes in the Phalanx project have been sold. However, it has taken a full year from the completion of construction for that to happen and the realtor for the project, who was also the developer, reports that it has not been easy to market all of the homes. Each final sale was like pulling teeth, though they were flooded with interested applicants, according to the realtor.

If the market for home ownership is as plenteous as we have assumed, why did these two attempts at such a program have such a difficult time achieving their goals? One more piece of evidence is relevant. During roughly the same period of time that these two projects were active the Boston Banks Urban Renewal Group was loaning mortgage money in unprecedented amounts to Model Cities residents and others who wished to live in or near the area. Although the program has been in existence since 1962, the 23 member banks have made the heavy predominance of their 1,500 loans within the two-year period from 1968 through 1970. As noted before, one sample indicates that about 58% of these

loans were made to Model Cities residents, some of whom moved out of the Model City area, some of whom moved to another address within the area. Under the BBURG program, people wishing to buy homes in specific areas (see Appendix C for map) are granted FHA insured loans (predominantly 203b) at market interest rates. However, one of the most attractive aspects of the program is the provision for an extremely low down payment. While most home buyers are required to make an initial payment of 25-35% of the total sales price, people buying under the BBURG program make a down payment according to their income level and the property being bought. Using this kind of flexible scale, down payments can be as low as \$200. In a study of 100 BBURG loans (see Table 18) conducted by the Model City Administration in 1969, it was found that the total closing costs came to approximately 7% of the purchase price. Thus, considerably less cash is required for people wishing to buy homes financed by BBURG.

The initiative for finding a house within the specified area was ostensibly left with the mortgagor. From that point on the transaction was handled like a normal home loan. Mortgages were financed on homes costing between \$3,500 and \$32,500 for families with annual incomes between \$3,180 and \$23,100 (averages \$16,405 mortgage and \$10,560 income -- see Table 18).

It is appropriate at this point to digress a moment because some data from the BBURG program may provide some clues as to the feasibility of home ownership within the Model City area. An analysis of the movement of people who bought homes with BBURG mortgages reveals a very distinct pattern. The analysis covered 410 applications and was completed in January 1970. It showed that 38% of the mortgagors moved out of the Model City area and the great majority of all loan receivers moved into sections of Dorchester south of Sub-area 6 and

and the other two groups of students were given the same tests and asked to evaluate them on a scale from 1 to 100, with 100 and above being good and 1 being bad. These students were told that they had been randomly assigned to one of three groups and that each group was given a different test. The first group was given a test that was considered to be good, the second group was given a test that was considered to be average, and the third group was given a test that was considered to be bad. The results showed that the students who were given the good test tended to score higher than those who were given the average test, and those who were given the bad test tended to score lower. This suggests that the quality of the test can have a significant impact on student performance.

The second study involved a group of students who were asked to evaluate three different types of tests on a scale from 1 to 100. The first group was given a test that was considered to be good, the second group was given a test that was considered to be average, and the third group was given a test that was considered to be bad. The results showed that the students who were given the good test tended to score higher than those who were given the average test, and those who were given the bad test tended to score lower. This suggests that the quality of the test can have a significant impact on student performance.

The third study involved a group of students who were asked to evaluate three different types of tests on a scale from 1 to 100. The first group was given a test that was considered to be good, the second group was given a test that was considered to be average, and the third group was given a test that was considered to be bad. The results showed that the students who were given the good test tended to score higher than those who were given the average test, and those who were given the bad test tended to score lower. This suggests that the quality of the test can have a significant impact on student performance.

Table 18: Comparative statistics - three Model City home ownership programs

	BBURG Survey I 1/69	BBURG Survey II 1/70	Quincy-Geneva Phalanx
Applications Surveyed	100	410	17
% Surveyed	26%	34%	100%
Loan Program			
203b	86	225	
221d2	11	174	
220	3	11	14
Purchase Price			
Range	\$4,500-\$23,000	\$3,500-\$32,500	\$16,500-\$18,300
Average	\$14,067	\$16,405	\$18,000 (target)
Closing Costs			
Range	\$352-\$2,725		
Average	\$947.97		
Housing Expense			
Range	\$78.46-\$358.32	\$93.51-\$456.29	
Average	\$210.71	\$227.50	
Income			
Range	\$264.90-\$1,600.00	\$264.90-\$1,925.00	\$200.00-\$930.00
Average	\$827.72	\$879.76	\$537
% Income on Housing	25.5%	25.9%	
Type of Structure			
1-fam	82 - 20%	2 - 11%	15 - 100%
2-fam	111 - 27%	4 - 22%	
3-fam	210 - 51%	11 - 61%	
4-fam	7 - 2%		
6-fam	.	1 - 6%	

Table 18 (continued)

Bedrooms/ unit				
1-BR		2		
2-BR		14		11
3-BR		12*		4
4-BR		12*		
5-BR		1		
6-BR		4		
Family Makeup				
Range	2A+1C - 2A+14C	2A - 2A+13C	2A - 2A+4C	
Average	2A+3C	2A+3C	2A+4C	
Median	2A+4C	2A+4C	2A+3C	
Total Ch.	564	1089	67	
Female heads		92 = 22%	8 = 47%	
Income Source				
AFDC	19 = 19%	45 = 11%	30%	
One worker	34 = 34%	195 = 47%		
2+ workers	42 = 42%	136 = 33%		
1 worker/ 2 jobs	5 = 5%	33 = 8%		
Moving out of Model City		38%	0%	

* Most of these units have been added since the initial sales effort.

Mattapan (see Tables 18 and 19). We received two explanations for this phenomena. Some said it was merely a matter of where the "good" homes were. Other sources indicated that the BBURG banks had consciously avoided giving mortgages to people for homes in the Model City area and had "pushed" mortgagors toward Dorchester and Mattapan. We found no conclusive evidence for either theory. An analysis of 36 BBURG mortgagors did show some patterns to the movements within and out of the Model City area. Some results are displayed in Table 19.

Several points arise. First, everyone who bought a home within the Model City area had already lived there. No one moved in from outside the area. Five of these eight families did look outside the area, and all five said financial considerations prevented them from moving elsewhere. Each of these respondents had looked in Dorchester, Mattapan or both and one person said that he had also looked in Brookline, Lynn and Brockton. In addition to "the price of the homes" deterring this person from buying in any of these areas, he also said that there were negative attitudes on the part of the white owners.

It is particularly interesting to note that such a large proportion of buyers in the Model City area gave financial reasons for doing so. Only four of the other 28 people interviewed made a point of referring to finances when asked why they chose not to buy elsewhere.

Secondly, neighborhood considerations were relatively important in making the move. Among the group of 13 people who moved from the Model City area, 10 said that they left their old neighborhood. Of these, five attributed bad neighborhood factors as the reasons for leaving. Of eight families who had lived within the Model City area and also bought homes there, four reported that they left their old neighborhood. Of these three gave neighborhood factors as the reasons.

Table 19: Movement patterns in the BBURG program**Movement Pattern:**

From Model City to Model City	8	22%
From Model City to Non-Model City	13	36%
From Non-Model City to Non-Model City	15	42%

Locations:

From Sub-area	To Sub-area	# Families
2	4	1
3	4	1
3	5	3
4	4	2
6	6	1

From Sub-area	To	# Families
1	Dorchester	1
2	Mattapan	2
3	Dorchester	2
4	Dorchester	1
5	Dorchester	3
6	Dorchester	3
6	Mattapan	1

Thirdly, very few of the people who moved into homes outside the Model City area looked at all inside the area. This could conceivably indicate either their perception that "there were no good homes" inside the Model City area or that BBURG people steered them away from the Model City area. With no further evidence available, it is not possible to decide which, if either, of the explanations is accurate.

What does emerge is a further indication that Model City people want to own homes, and that many of them would prefer to leave the area, if they can manage it. This emphasizes the importance of the MCA aiming its programs at both Model City residents who want to stay and those who want to leave the area.

In terms of the expectations of the people who ran these three programs, as well as outside observers, the BBURG program would have to be termed a "success" while the Quincy Geneva and Phalanx Homes efforts were "failures". Why?

The operators of the two programs that have had problems agree almost precisely on what the problems were with their own projects.

- (1) The units were too small. In Quincy Geneva and Phalanx the predominant unit size was two bedrooms with some three's and four's (see Table 18). The program managers indicated that they could easily have sold more three, four and five bedroom units. Data from the BBURG program supports this since the average family receiving a loan was two adults and three children (median two adults and four children), a family size which requires a minimum of three bedrooms by current standards.
- (2) The Phalanx Homes developers indicated that they felt their homes were too expensive (\$16,500 to \$18,300 for two and three bedroom single-family row houses) for their size and in comparison with older homes in the area. Housing Innovations concurred that that was a problem, but since they were dealing with rehabilitation rather than new construction it was not so serious for them.
- (3) Both programs stressed the importance of a "good, stable neighborhood". The Quincy Geneva project was not located in such an area, and many potential buyers became disinterested when they

discovered the location of the homes. The manager of that program identified in particular one or two commercial establishments which were disquieting influences in the neighborhood that they were unable to eliminate. Without that ability to "control" a neighborhood, he feels rehabilitation-home ownership programs face major barriers. The Phalanx Homes people agree, although this was less of a problem for them.

Once again, BBURG data supports the importance of neighborhood as a criterion in selecting a home. Table 20 presents data from a sample survey of BBURG mortgagors. Of the 36 people in the sample, 25 changed neighborhoods, and 15 of those did so because they did not like the old neighborhood.

Table 20: Neighborhood influence in BBURG moves

Moved to a new neighborhood with a BBURG loan?

Yes - 25
No - 11

Why did you leave your old neighborhood?

Bad neighborhood - 15
Bad unit - 8
Miscellaneous - 2

Source: Random sample interviews with 36 BBURG mortgagors. For fuller results and descriptions see Appendix A.

WHAT WE CAN LEARN - THE IDEAL CONDITIONS

To get a broader picture of why these programs "worked" or "did not work", we will use a matrix with some suggested conditions for a successful home ownership program on one axis and the three programs we are looking at on the other (see Table 21). We have taken the bulk of the conditions for a successful program from "A Home Ownership Proposal..." which we feel was a very thorough and well-founded report on the entire subject of home ownership. We have added two categories -- "size of units" and "quality of neighborhood" which, though not noted originally by Housing Innovations, are obviously vital as demonstrated by their own experience. Some criteria have been left out because there is no way of judging them and they are presumed to be common for all three efforts, i.e., responsibility, stability and maintenance skills possessed by potential owners.

The matrix reveals some interesting indications. The only conditions met by the BBURG program that are not met by either of the other programs are:

1. a choice of housing types in the program,
2. large sized units, and
3. a stable, healthy neighborhood (BBURG was not focussed in any single neighborhood, but it did ostensibly allow the homeowner to pick the neighborhood he liked)

The Quincy Geneva effort, in fact, shows up better than the BBURG program in some crucial areas, notably social services, tax arrangements and equity loss insurance. Even the down payment terms are better. (Admittedly, the bulk of the criteria were drawn up by the same people who operated the Quincy Geneva project, but the criteria themselves are reasonable ones, and it is by non-HII criteria that ---- their effort lacking.)

Table 21: Ideal conditions for home ownership measured against three projects

<u>Condition</u>	<u>Quincy Geneva</u>	<u>Phalanx Homes</u>	<u>BBURG</u>
Low % of income for hsg.	?	?	Yes
Low down payment	Yes	No	Possible
Choice of types	No	No	Yes
Multi-fam. for low inc.	Yes	No	Yes
Home ownership training	Yes	No	Limited
Equity loss insurance	Yes	No	No
Private sector resources	Yes	Yes	Yes
Favorable public decisions	Yes	No	No
Taxes 15% of rentals	Close	?	No
Size of units (sugg. 3+ BR)	No	No	Yes
Neighborhood	No	?	Yes

It would seem, then, on the basis of the predominantly subjective information above that success for a home ownership program in Roxbury depends perhaps more on the factors of neighborhood, and size of units than on the ability to afford to own a home. Clearly those criteria are not sufficient but they are necessary. Any new program that is designed must include those elements missing from Quincy Geneva and Phalanx, but must also retain the conditions that those programs shared with BBURG. To summarize, those conditions are:

- (1) A low % of income necessary to cover monthly housing costs.

BBURG carried out a successful program with an average cost-to-income ratio of 26%. "A Home Ownership Proposal..." suggests 15-20% for families with incomes below \$4,000.

- (2) A low down payment. This was one of major features of BBURG and also Quincy Geneva. "A Home Ownership Proposal..." demonstrates clearly why a low down payment is essential for poor families (pp. 15-17).
- (3) Multi-family homes are the best financial ownership prospect for poor families. Some people, both Model Cities home owners and housing experts, question this strategy on other grounds. A sample of BBURG owners revealed a good number of people who did not want to own multi-family housing because of the management headaches involved (see Table 22). At the same time, some observers of home ownership programs for low and middle income families suggest that to add the burdens of management to the new regimen of home ownership may be too great a load to place on a poor family. We believe that these arguments contain valid points, but do not necessarily dictate that multi-family homes for low-income owners are a totally invalid concept. In many cases, economics dictate that multi-family homes are the only ones poor families can afford to own. As a result the situation described by both arguments places a greater burden on the operators of housing subsidy programs to provide the kinds of training and technical assistance necessary to help a low or moderate income family undertake home ownership if they want to. It also means probably that new programs should be created to help low and middle income families afford single-family houses if they want them, but that is a much more complicated question than we can explore here.

Table 22: Attitudes toward size of home purchased

Families who bought the size of house they most desired:

1-family	6
2-family	14
3-family	6

Why was this size house preferred?

	Privacy	Income	Miscellaneous	Not Listed
1-family	6		2	1
2-family	3	10	1	3
3-family		11		2

Why were you not interested in a 3-family home?

Too much responsibility	8
Did not want to be a landlord	7
Did not see one they liked	3
Too expensive	1

Source: Random sample interviews with 36 BBURG mortgagors. For fuller results and descriptions see Appendix A.

- (4) There must be a choice of types of home available. This is clearly an advantage BBURG had over Quincy Geneva and Phalanx. It is related to the neighborhood issue, but has to do also with the individual structure. People are different and have different tastes, and those must be responded to.
- (5) Home ownership training and social services must be available. It was recognition of this fact, among other things, that prompted the management of the BBURG program to turn that effort over administratively to the Association for Better Housing, a more 'agency at providing social services.'

- (6) Equity Loss (Mortgage Default) Insurance must be included in the package of financing for a home for low and moderate income families. Again, "A Home Ownership Proposal..." documents this well (pp. 8-9).
- (7) Taxes must be low. While not absolutely essential (the BBURG program did well without it) many programs can be made to work only if an arrangement is worked out whereby real estate taxes are held to 15% of anticipated gross rentals or the equivalent. This is a quite typical arrangement for subsidized multi-family rental developments. The loss to the city in expanding such a program would be minimal, while the advantage to the individual home owner, and, in fact, the city itself, is great.
- (8) There must be a large supply of three-, four- and five-bedroom units available for ownership. This is crucial. The Quincy Geneva and Phalanx programs did not fit this criteria; BBURG did. All three program managers point to this factor as crucial for the success or failure of their developments and others of the future. While the figures developed earlier indicate that well over 55% of the family units in the Model Cities area require only one- or two-bedroom homes, it is clear that one- and two-person families are not the ones most interested in buying homes. These smaller families are predominantly quite young or older, whereas it is the young to middle-aged family that is most in the market for ownership, and these are the larger families. Hence the opinions and experiences of the program managers do make sense. Home ownership programs must provide a large number of three-, four- and five-bedroom units for the owners, while rental units in the same structures might reasonably be smaller.
- (9) The neighborhood must be pleasant and stable. When families take the step of owning a home they are making a major commitment to a part of the city. They are choosing a life-style

with greater emphasis on stability and permanence. They do not want to do that if the neighborhood they are stepping into is marginal in terms of its own stability and permanence. The other families, the kinds of commercial establishments, the public facilities, all play a vital role in the decision a family makes about home ownership in any particular situation. All program managers saw this as crucial -- and only BBURG was able to supply a wide enough range of choice that people could find a neighborhood they like.

WHAT THE MCA CAN DO TO CREATE A HOME OWNERSHIP PROGRAM THAT WORKS

The question now becomes "What can the Model City Agency do, in light of the suggestive evidence above to stimulate a successful home ownership program in the Model Cities area?" It should be noted here that a "successful" home ownership program does not mean merely raising the percentage of owner-occupied structures within the Model City boundaries. The other half of the program must consist of raising the percentage of families and individuals within the Model City area who can become home owners -- even if that means their moving out of the area. This is one of the reasons why BBURG has been successful and it is one of the basic tenets of what we feel a home ownership program must have -- options. The Model City Agency serves a population and a geographical area. To serve the population in 1970 may mean helping them leave the area. To serve the geographical area clearly means trying to create the kinds of conditions that foster home ownership within the area, and the increasing stability, community involvement and livability that come with that higher level of home ownership.

In a sentence, the ideal program for home ownership should provide for rehabilitating multi-family, large-unit buildings in strong, stable neighborhoods by means of financing which allows for a low down payment, equity loss insurance and a special tax arrangement with the City, all combined with a program of social services and home ownership training for the owner.

The focus on rehabilitation is because that is cheaper than new construction, and therefore responds more to the needs of low income families and that is where the volume of need is the greatest, as indicated earlier. Also, we found great mistrust of new construction among residents of the Model City area. They question its quality, cost and size of unit. They feel more at home with rehabilitated units. The rest of the parameters of the ideal program have been explained above. A second priority program would involve basically the same dimensions as that described above but would provide for new construction of a wide range of types of units and rehabilitation of single- as well as multi-family units. This program would serve middle-income families, as well as help to provide a variety of options for all potential home owners.

Since the MCA is not an operating agency the question of strategy is a more difficult one. It should be noted here that this report is not intended to be a detailed analysis of which programs and which changes in those programs will work for which families in the Model City area. That is beyond the scope of this effort. However, an excellent analysis has been performed by Housing Innovations, Inc., in both "A Home Ownership Proposal for the Boston Model City Area" (1968) and "Rehabilitation Finance Programs" (1970). Our purpose here is to use that analysis in combination with what other evidence exists to suggest strategies and priorities for the MCA-MNB.

Because the highest priority in a home ownership effort (as in all housing efforts) is to serve those in the greatest need, we are speaking of low income families, which means we are speaking of programs which can operate with the benefit of Boston Housing Authority subsidies. There are two obvious options in this case -- two programs which come fairly close to the ideal program outlined above. One is the leasing program. When used as a tool to enable more families to undertake ownership it can provide most of the conditions needed. The other option is a combination of the acquisition-rehabilitation program and the Turnkey III sale of units to tenants. Both of these have the advantage that they do not result in "projects" which are identifiably BHA with all the pitfalls that entails.

But the problem is that those programs have flaws. Some of the flaws are built into the programs legislatively or administratively. But others are general flaws built into the much larger "system" that supplies housing to people in the Model City area and everywhere else. For example, an acquisition-rehabilitation Turnkey III effort may work perfectly up to the point where the potential owner takes over the title to the property. At that point he must begin to pay full taxes rather than continue to pay the lower rate of the housing authority. In all likelihood he will have trouble arranging for complete insurance coverage, especially equity loss insurance. These are not problems that originate with the BHA, the HAA, the Turnkey III or Acquisition-Rehabilitation legislation, the MCA, the FHA or any other group or program. It is much more serious and a much more important kind of barrier to homeownership for Roxbury citizens. It is a flaw in our housing "system". "Poor people aren't supposed to own homes, and are innately bad risks and live in dangerous parts of town and therefore we should not give them any chance" is the pattern of thinking that pervades large parts of

the housing industry. The reason we say that these problems are more important kinds of barriers is that they affect all poor people who want to own homes, not just those who live in the Model City area. If the MCA could somehow help erase these problems, it would have an effect far beyond the population and area of its central concern. It is one thing to create special programs that solve certain problems. It is a far better thing to erase those problems so that special programs are not needed to deal with them.

The best strategy, then, for the MCA, given its limitations and real strengths, is to focus rather narrowly on one or two efforts to spur home ownership and in the context of those efforts attempt to make permanent, all-encompassing changes in the housing system as it works in the Boston area.

The most crucial problems within the "system" of housing production in the Boston area can be summarized as follows (with credit in part to "A Home Ownership Proposal..."):

- (1) Down payment requirements are too high and borrowing of down payments is not allowed.
- (2) HAA subsidies are available only to renters, not owners.
- (3) The FAIR plan covers fire and disaster insurance, but the inability of poor families to acquire theft insurance and mortgage default insurance are serious problems.
- (4) The maximum mortgage levels for many FHA programs are too low, especially for multi-family units which are essential for low and middle income families.
- (5) Interest rates are too high.
- (6) Certain programs work only at the discretion of banks in the area. Boston has not had a chance to see whether Section 235 will work because banks will not take the mortgages. (A recent ' 235 application may have changed this.)

- (7) Certain programs (notably 235) have formulas for subsidies that do not include items of major consequence in this part of the nation -- heat and maintenance.
- (8) A sometimes subtle, sometimes blatant discrimination on the basis of race and class pervades the housing economy and denies minority groups their equal opportunities to own homes.
- (9) Real estate taxes are too high for low-income home owners.

Several of the problems are taken care of by existing arrangements in the programs we suggest. An Acquisition/Rehabilitation/Turnkey III program avoids or can avoid the down payment problem, and the tax problem and the interest rate problem, for example, but it does not solve the problem of mortgage default insurance or the problem of HAA subsidies only being available to renters. We think it essential that these broader issues be part of the goals of the Model City program as it attempts to spur home ownership. In four more years, when the Model Cities Program disappears, the changes in the system that it has achieved will be of far greater significance than the number of new home owners it has aided.

SUMMARY AND RECOMMENDATIONS

Based on the foregoing analysis and reasoning, we will make several recommendations for action the Model City program can undertake to spur home-ownership. At this point we must refer again to "A Home-Ownership Proposal for the Boston Model Cities Area". Published in the summer of 1968, it was a comprehensive study of the subject of home-ownership which we found helpful in our own analysis. We are in essential agreement with its salient points. That report made 26 specific recommendations for action. In the last 2 years some of those have been executed, others have not. This study, itself, for example was recommendation 9 of that list. We will re-recommend some of the specific steps suggested by that report and urge strongly that they be carried out.

1. Cooperate with the Boston Housing Authority on an Acquisition and Rehabilitation Program. Identify 2, or at most, 3 areas within the Model City boundary where an acquisition and rehabilitation program can take place. The areas should be fairly large -- a minimum of 10 blocks -- and should be areas of low quality housing which is still capable of being rehabilitated. They should be areas of low home-ownership proportions. The structures in the area should be predominantly three-family homes. The goal is to acquire a minimum of 75% of the absentee-owned properties. The BHA can attain this through the use of its eminent domain powers.

The acquisition and rehabilitation cost limits are the same as those for new construction. In Boston that is presently \$4200/room. This amounts to the following limits per unit size:

1BR	14,700
2BR	18,900
3BR	23,100
4BR	27,300
5BR	31,500
	35,700

Even if one assumes \$10,000/unit rehabilitation costs, which is pessimistic, the funds in the program are more than adequate. For example a 3-decker containing 3-2 bedroom apartments would presumably cost \$30,000 to rehabilitate. That still leaves \$26,700 out of a total allowable cost of \$56,700 for purchasing the buildings. The data from Metropolitan Mortgage Bureau clearly reveals that a purchase price of \$8900/unit for 3-family houses is more than adequate in any section of the Model City area.

One other problem remains in the selection of areas for such a program. That is the configuration of the structure. All three programs managers have cited the need for 3, 4 and 5-bedroom units for owners in Roxbury. Yet the Quincy-Geneva program just did not find that many structures of the 2, 3 and 4-family type that contained large units. It will surely prove fruitless to mount a large acquisition and rehabilitation program or any other kind of home-ownership effort focussing on 2-bedroom units. This may imply conversions. That is, apartments will have to be split up to make larger units for the owners of multi-family dwellings.

Notionally, this is not a problem. In a small standard 3-decker, 2 rooms from the second floor can be added to the owner's ground floor apartment, for example, with a modest rehabilitation effort. This leaves 6 more rooms to be rented. There are several alternatives.
1a. Create one other large apartment. This minimizes the management problem, but lowers the income for the owner. BHA subsidies for 4-bedroom apartments average \$195 and can go as high as \$210. That means a gross income of \$265-\$290 (assuming \$70-\$80 is the range a tenant can afford) which will just barely provide enough for the owner to carry the costs.

2a. Create two other apartments, one standard two-bedroom and one efficiency. This has the advantage of aiming more directly at the housing needs of the Model City area. There are many individuals and families who need one and two-bedroom apartments, but these are predominantly young or old families who prefer to rent. The families that need 3 and 4 and more bedrooms are at life stages where they want to buy. Therefore, to create one one- and one two-bedroom rental unit for every 4-bedroom ownership unit seems to make good sense. The combined subsidy on two such units would be approximately \$250. In one sense this makes for a more complicated management situation since there are two units. On the other hand, the tenants will not include many children and in that sense may be easier on the building. The finances work out very favorably in this alternative.

3a. A third option would be to create 3 other units. The management situation becomes quite difficult here, and there is a need to add a bathroom. This option probably is a valid alternative only in the case of larger units within a 3-family structure.

These options relate mainly to three-decker frame houses. The three story brick homes are often row houses which makes the conversion problem even simpler, since party walls can be broken through on the same floor.

2. The MCA should provide the BHA with a staff person whose sole responsibility is to make an acquisition-rehabilitation program work in the selected areas. He should use not only Federal funds but also Massachusetts Chapter 705 monies. His job is to acquire at least 75% of the absentee-owned structures, supervise their rehabilitation, coordinate tenant selection and social service provision, and oversee the transfer of mortgages from the BHA to individual owners after a ^ of tenancy.

3. Because the owners of these homes will need a full package of insurance, especially equity loss insurance, the MCA should draft legislation extending the FAIR plan to the full range of insurance needs. It is, in fact, even more crucial for a low income family to have mortgage default insurance, and if a company is to write any insurance in the state, it should be required to write "higher risk" policies also.
4. The MCA should make a concerted effort to obtain a block of leases from the BHA to be used as a tool in building home-ownership. The focus might be on the State Chapter 707 leasing program since its restrictions are less severe. There are administrative tie-ups and the MCA should either make a person available to the BHA to undertake that processing or, more preferably, assist the BHA in preparing the case for changing those procedures. Once obtained, the leases should be administered by the MCA and used to implement home-ownership efforts. For the particular mortgage program best used in conjunction with these leases, we refer you to "A Home-Ownership Proposal..." and the more recent "Rehabilitation Finance Program". This program is one that might be helpful in assisting Model City residents who wish to move outside the Model City boundaries. The jurisdiction of the MCA for signing leases should extend to the boundaries of Boston so that they can assist Model City residents with a maximum of flexibility.
5. Very low down payments must be made a reality. "A Home-Ownership Proposal..." makes an excellent argument for the minimal downpayments in the case of low and middle-income families (pp. 15-18). Financial institutions and government agencies must be convinced of this. Research personnel from MCA should document the comparative rates ^{caused} and slow payments among families which have paid

conventional 25-35% downpayments and closing costs and those who have paid little or nothing in those categories. While there may not be enough evidence to do such a study for low-income Boston area families, certainly a study of middle-income BBURG families compared to middle-income conventional mortgage families should be possible. Perhaps data from other areas is available. This case should be presented to banks, the FHA, HUD and other responsible parties in an effort to have downpayments waived or reduced for low and middle-income families. This one factor is such a stumbling block that it alone keeps many families from owning. If reduced downpayments are fought for in the context of a specific program, such as the non-BHA rehabilitation or new construction programs suggested below it may have a better chance of success.

Short of reducing downpayments, a relaxation of restrictions against borrowing downpayment money should be aimed for. If this less significant goal can be attained, a downpayment loan fund should be established. This might be operated through Unity Bank if new deposits are placed there by the MCA. Alternatively MCA may be able to attract pension fund or insurance investment to a downpayment loan fund or a blocked-deposits-in-lieu-of-downpayment program. Similar efforts in the Quincy-Geneva program have met with some success.

6. Real estate taxes should be reduced for low-income homeowners. The analysis of "A Home Ownership Proposal..." indicates that a tax level of roughly 15% of gross rental can be the difference in success and failure of a mortgage financing package. This is a typical arrangement for subsidized housing of rental type and the MCA should do everything possible to make such arrangements available to low-home-owners. Compilation of data showing how few dollars

the City is foregoing in exchange for more stable and permanent neighborhoods might be persuasive on behalf of legislation that allows tax concessions for low-income home-owners on the same model as those given to industry.

7. Somewhat similar to the above efforts, a case should be made to FHA to convince them to increase their maximum mortgage amounts. It is particularly troublesome that maximum mortgages under Section 203(b) for 3-family houses are \$35,750, the same as for 2-family houses. Calculations reveal that low-income families can actually afford to carry a larger mortgage than this if both rental units are leased to the BHA. All this means that, paradoxically, mortgage limits may keep a poor family from buying the only kind of house they can really afford. Legislation should be prepared to raise these limits.
8. MCA should pull together and coordinate all the efforts at provisions of social services and home-ownership training in the Model City area. Where there is overlapping, inefficient efforts should be eliminated. Where there are gaps, new services should be encouraged or provided by MCA. This aspect of the ideal condition for home-ownership cannot be overstressed. It is realistically true that families or individuals who have never owned a house before will require help in budgeting management, and maintenance except in unusual circumstances. They may also benefit from job training, day care centers, high school equivalency courses and other such services. The MCA should build into its staff a coordinator of home-owner services who can oversee and coordinate these programs. It is tough, hard work, but it must be done.
9. The MCA should prepare a case to persuade the Massachusetts State Department of Public Welfare that families should be allowed to use

welfare assistance to purchase homes. On an interim or demonstration basis, the MCA should offer to hire caseworkers for the DPW to handle the caseload of Model City area welfare families who want to buy homes. This trade-off(reduction in caseload for liberalized expense categories) might allow the MCA to demonstrate the wisdom of their approach for the DPW and the legislature. It is pure and simple class bias which argues that poor families on welfare should not be allowed to own homes. That bias must be fought, and there is no better challenger than the MCA.

10. The MCA should work both on and with the banks in the area to loosen up their concept of what are safe and reasonable mortgages and their attitude and ability to handle admittedly "higher risk loans". Part of the banks' reluctance to service certain loans is based on regulations they are governed by. Part of it has to do with their own internal regulations. Therefore MCA efforts should focus first on convincing the banks to accept their role in helping to improve the community by making it possible for a broader range of families to get loans. Then the banks and the MCA can join together in getting restrictive regulations lifted from the banks. If the lending institutions cannot be won over then legislation based on the FAIR plan concept must be introduced. This would force banks to make loans to lower-income families if they wish to carry out other kinds of profitable business. The BBURG plan is an excellent model of a volunteer effort in this regard. But the time may have to come to insist that all banks make such an effort. (Needless to say, the MCA would be in a stronger position to take such steps if its own money was deposited in the community-based institution such as Unity Bank.)

One of the specific programs that might be aimed at along these lines includes a guaranteed secondary mortgage market. The new mortgage-backed security program established by HUD is obviously a helpful tool in such a plan.

11. In addition to the rehabilitation program suggested above, there are situations where the construction of new homes should be undertaken. We suggest this be done primarily in the new Urban Renewal areas. A second choice would be adjacent to the identified rehabilitation areas. In keeping with the general strategy for home-ownership, this new construction must cover enough of a neighborhood that it can create its own healthy stable atmosphere.

Cost will be a problem. Urban Renewal write-downs will help. We also suggest the use of industrialized housing as a cost-saving technique. Proposals from firms that market a housing system should be solicited at an early date.

The best source of money for such a new construction effort is MHFA. Interest rates are high but more than offsetting savings can be attained by virtue of the speed with which applications are processed. MCA should prepare an application for a block of funds from MHFA which will assure it of enough financing to carry out a significant new construction program.

The units built under this program should respond to the needs of potential home-owners. A majority should be 2 and 3-family homes, though some 1's and 4's are also appropriate. Units for the owner should be predominantly 3, 4 and 5 bedrooms, though the rental units may appropriately be smaller.

The new construction effort may provide a test case for the kinds of system changes we have suggested elsewhere. It may be possible to get MHFA to agree to a very low downpayment or to arrange with the city for a tax concession. Then the program can be watched and the more conservative lending institutions can be shown that such "innovations" can result in very healthy, "safe" mortgages.

12. Cooperative and condominium efforts by groups in the Model City area should be encouraged by the MCA. Everything possible should be done to support these forms of ownership. In part this means convincing banks to finance these kinds of programs. In part it means carrying out an education program to explain these concepts to citizens in the Model City area. The establishment of a coop buying and maintenance corporation to serve coops in the area may be a vital tool in enabling collective forms of ownership to work.

We believe coops and condominiums are good forms of ownership and should be pushed, perhaps by a special staff member of the MCA. However, they are unusual forms of dwelling and, as such, are likely to require more time for the ultimate number of families housed than the other programs we have suggested above. Therefore, with limited resources and limited time, we suggest that this not be the central focus of activity, but that it be encouraged and aided wherever possible.

We have suggested 3 foci of attention for MCA home-ownership. In priority ranking they are:

1. An acquisition rehabilitation program operated on a Turnkey III basis by the BHA.
2. Increased use of BHA leases as a tool to spur and enable ownership.

3. A new construction program, using MHFA money to provide a variety of types of homes.

In addition, the system that produces homes for ownership must be shaken-up and changed. The MCA should give major attention to these matters in the course of pursuing the specific programs suggested. We repeat again that the changes in the system may be the most important consequences of all home-ownership efforts by the MCA.

H81 Gray, Justin Assoc.

G

Housing Needs and Priorities.

Vol.I.

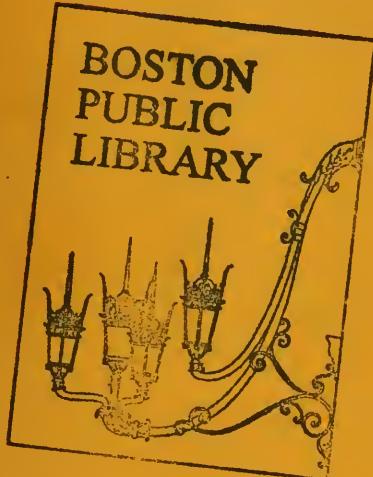


GOV DOC
BRA
3321
v. 2

Property of
BOSTON REDEVELOPMENT AUTHORITY
Library

JUSTIN GRAY
ASSOCIATES

Housing Needs and Priorities



VOLUME 2

A Report Prepared for
the City of Boston
Model City Administration

September 1970

81
G

MOTEL
THE
KING

**Justin Gray
Associates**

**HOUSING NEEDS
AND PRIORITIES**

**A Report Prepared for
the City of Boston
Model City Administration**

September 1970

VOLUME 1:	WHO NEEDS HOUSING?	1
	HOW CAN THE HOUSING NEEDED BE PAID FOR?	31
	HOUSING DEVELOPMENT ISSUES	40
	HOME OWNERSHIP IN THE MODEL CITY AREA: CAN IT WORK?	62
VOLUME 2:	RESIDENTIAL PROPERTY SALES AND HOUSING SUBMARKETS	95
	WHERE SHOULD NEEDS BE MET? MODEL CITY SUB-AREAS	110
	HOUSING INFORMATION SYSTEM	134

Appendices following page 151

Residential Property Sales and Housing Submarkets

As part of the study of housing market activity, data on residential property sales in the Model City area were assembled and analyzed. The analysis had three purposes:

- (1) to determine if there were "submarkets" within the overall housing market that would affect housing development;
- (2) to determine if there were differences between sub-areas in the Model City area with respect to sales price; and
- (3) to determine if an "average" or "typical" sales price for either kinds of property or sub-areas, or both, could be estimated on the basis of current sales.

"Submarket" is a term used to describe a set of housing units and of people who use them which can logically be separated from other units and people. In a theoretically pure case, one submarket is unaffected by another -- that is, a change in the characteristics of the units or of the people in one submarket does not affect the other. Obviously, there are virtually no situations that clear-cut in reality, but there are situations that resemble the pure model. Black households are part of a submarket because large parts of the housing stock are closed to them by racial discrimination. A drop in rents as a result of a high vacancy rate does not lead to use of those units by lower-income black families. Units available for sale as opposed to those for rent are submarkets, because renters often do not have access to mortgage financing even if units are for sale, and owners will not leave their to rent simply because units that are larger or less expensive Submarkets are sometimes defined by income levels;

a low-income family with a limited amount to pay for housing cannot take advantage of the availability of units at a higher cost, even if they are across the street.

Information on sales prices is one indicator of submarkets defined by the cost of property and the sizes of buildings. 1 and 2-unit structures are most predominantly occupied -- in most situations -- by resident owners who rent space as a side effect of their owning and occupying their own space. That is, an owner rents half of a 2-family house in order to help pay his mortgage, rather than as an income-producing investment. In most cases, it is not unreasonable to assume that he might have preferred to own a single-family unit, if one had been available at a cost he could afford, and so 1 and 2-family houses are alternative choices to him. Almost 5,000 of the 15,400 units in the Model City area are in buildings of that size -- 1,762 single-family homes, and 1,582 2-family homes -- and so they account for a substantial proportion of the Model City housing market. Since only 2,700 of the area's households own the units they live in, and some of them own 3-unit or larger buildings, not all of the 1's and 2's fit the normal pattern.

3-unit buildings (as well as 4 to 6-unit structures, but to a somewhat lesser extent) are a kind of "transitional" category somewhat harder to define. Some are owned by the same kind of owners who could afford to and might prefer to live in singles or duplexes if everything else were equal -- but it is not. They may buy a 3-unit building since the amount of rent for each of the two rental units is not much lower than for the rental unit in a 2-family house (if it is any lower), and so they have more income to offset mortgage costs. If things work out well, their ~~own~~ housing costs (whatever is left for them to pay after rent has been ~~age~~, insurance, taxes and operating expenses) may be even

lower than they would have been in a 2-unit building. In return for that advantage, they assume the responsibilities of managing the larger building -- the extra work and expense of maintaining two rental units instead of one, the greater risk that one of the two may be vacant, etc. -- and sometimes, obviously, the gamble does not pay off. Still, their original motivation is to own their own home -- to provide housing primarily for themselves, and to provide it for others only incidentally as the means to that end. For some families whose own incomes are limited, that kind of building is their only choice rather than an alternative choice to 1 or 2-unit houses, since they can only afford to buy if they have 2 rental units to supplement their income.

3-unit buildings also can be, and are, used as investment properties. In those cases, the purpose of the owner is to make a return by renting. In the pure economic sense, his interest is in making a maximum return, and he charges as much as he can without risking having his units vacant because they are too expensive in comparison to alternative units that can be rented. In reality, rents vary because of differing conditions as well as different motives or different strategies on the part of owners. Some rents in 3-unit buildings are higher because the buildings were in worse condition when bought, and repairs and maintenance expenses are higher. Some rents are lower because the owner decides that a long-term tenant or at least constantly filled units are a better bet than trying to make more in the short run by raising rents, but risk overpricing his units. Rents also differ because some owners bought property long ago when prices and interest rates were lower; or because some owners consider the property a long-term investment and are willing to accept a lower rate of return over the long run, while others buy for a short period and want to make as much as possible more quickly. In reality,

- ~ the two kinds of owners are not that simply classified. Some owner-
- ~ "extra" units originally to help support their own mortgage,

but as rents in comparable buildings increase, decide they can charge more for their units -- beyond what they "need" to break-even.

Most buildings with 4-6 or more units are typically investment properties, with resident owners the exception rather than the rule. They are more expensive to buy, even if price per unit is lower, and so fewer buyers have them as an option.

Analyzing the Model City housing market in terms of these distinctions, on the basis of sales price data, is more complicated than for other kinds of areas, where conditions are more standardized. First, differences between sub-areas should be expected, on the basis of other information about people and housing in the area. 2-family houses in the same condition might sell for very different prices in one neighborhood than in another. That in itself is not unusual; all cities have different kinds of neighborhoods, the differences between which affect property values. It does mean that the analysis must be on a sub-area basis rather than for the area as a whole, to be most meaningful. Second, the Model City area housing stock has been developed over time, and in a relatively irregular pattern. That means that while some neighborhoods are more characterized by large apartment buildings and others have more 1 and 2-unit buildings, there is considerable diversity within neighborhoods. Buildings of different sizes and ages are mixed from one block to another, and even on the same street 3-deckers are next to larger buildings on one side and smaller buildings on the other. Because the area is old, it has also been used by successive waves of people moving through, and the condition of the housing has been left in a diverse pattern. Two buildings the same size, age and type on the same street are often very different in condition (and cost), depending on their past history as well as their present use. All of these factors mean that a pattern of sales prices are distributed at random, according to no particular order --

but which are really the result of a complex series of events difficult to detect on the surface -- would not be surprising. The complexity of the situation also means that it is more difficult to predict what will happen -- what the sales price of a property of a given size will be -- on the basis of "averages" or on what has happened. With that in mind, the pattern can be examined and interpreted.

Table 23: Per-unit sales price of buildings by number of units in buildings, Model City area (1968-70), in percent of sales

	Size of Building					Total % of all Buildings
	1 Unit	2 Unit	3 Unit	4-6 Units	7+ Units	
Under \$1000	0	3	7	9	22	5
\$1000-\$1999	2	10	25	23	36	16
\$2000-\$2999	5	10	13	26	7	11
\$3000-\$3999	5	10	15	26	7	12
\$4000-\$4999	10	17	14	9	7	14
\$5000-\$5999	12	10	16	7	7	13
\$6000-\$6999	9	13	6	0	7	8
\$7000-\$7999	12	12	2	0	0	7
\$8000-\$8999	8	10	0	0	0	4
\$9000-\$9999	7	1	1	0	0	2
\$10,000+	30	4	1	0	7	8

Table 23 above shows that, in general, per-unit cost decreases as the size of the building becomes larger. 1 and 2-family houses in the areas as a whole are comparable in price, with prices per unit tending to peak between \$4000 and \$8000. The departures from this tendency are explained by variations among sub-areas, described in Table 24 on a following page. There is also a significant group of single-family houses prices above \$10,000 which is not accounted for by sub-area

differences, but rather suggests a segment of the 1 and 2-family house submarket for which the two kinds of buildings are not alternative choices. Families who want single-family houses badly enough (and can afford them) that is, pay a premium for the best ones no matter where they are, relative to prices for that kind of property in the area as a whole.

3-unit buildings are lower in per-unit sales price, with half of the buildings in the \$2000-\$4000 range, and another third of them below \$2000. Buildings with 4 units or more (of which relatively few are reflected in the sales data, especially of buildings with more than 6 units) sell for the lowest per-unit price -- although 4-6 unit buildings are comparable to 3-unit structures. That suggests that the two categories are traded among the same kinds of buyers, and undoubtedly most are sold as revenue-providing properties rather than for resident ownership. 3-family houses especially form the bulk of the market typified by ownership by white former residents of the area who have moved as the black population has increased, but retained property holdings. Traditionally, this market has been characterized by many owners each owning one or a few buildings. More recently, however, larger owners who buy for investment have reportedly been moving more heavily into the 3-decker market (some have been in for some time). The similarity in the sales prices as between 3 and 4-6 unit buildings -- since a layer differential would normally be expected in a market where 3-deckers are primarily resident-owned or controlled by small owners -- tends to support that conclusion.

The figures shown in Table 23 presumably represent a fairly good sample of buildings by size categories, and so conclusions drawn from them should be fairly reliable. The proportions of units sold, by size, corresponds closely to the actual mix of building sizes in the Model City area.

Table 24: Per-unit sales price by sub-area, Model City area (1968-70), in percent of sales

	Sub-Areas					
	1	2	3	4	5	6
Under \$1000	0	11	4	6	9	1
\$1000-1999	14	24	13	17	20	7
\$2000-2999	10	11	17	14	8	7
\$3000-3999	11	16	12	10	12	12
\$4000-4999	10	12	20	17	12	10
\$5000-5999	16	6	10	7	11	28
\$6000-6999	11	8	10	4	6	12
\$7000-7999	8	1	2	8	10	10
\$8000-8999	4	5	4	2	3	10
\$9000-9999	2	0	2	4	1	1
\$10,000+	14	6	6	11	8	2

Table 24 above describes the patterns of sales prices, irrespective of size, in the sub-areas of the Model City area. Not surprisingly, prices tend to be higher in Sub-Area 1 and Sub-Area 6 -- which have a somewhat higher income level than other neighborhoods, and reportedly higher rates of homeownership and better condition in owner-occupied houses. The other sub-areas have lower sales prices, with few differences between them when size of buildings is not taken into consideration.

Table 25: Per-unit sale prices for 1-unit buildings, by sub-area, Model City Area (1968-70), in percent of sales

	Sub-Areas					
	1	2	3	4	5	6
Under \$1000	-	-	-	-	-	-
\$1000-1999	-	-	-	4	-	-
\$2000-2999	-	-	13	4	-	-
\$3000-3999	-	6	10	4	-	33
\$4000-4999	11	14	10	10	14	-
\$5000-5999	-	14	17	14	6	-
\$6000-6999	-	20	13	5	14	-
\$7000-7999	11	6	7	19	-	-
\$8000-8999	-	20	7	4	14	33
\$9000-9999	-	-	7	10	6	-
\$10,000+	78	20	16	26	46	33

Table 26: Per-unit sale prices for 2-unit buildings, by sub-area,
Model City Area (1968-70), in percent of sales

	Sub-Areas					
	1	2	3	4	5	6
Under \$1000	-	8	-	3	7	-
\$1000-1999	9	8	17	22	3	3
\$2000-2999	9	11	11	17	10	-
\$3000-3999	9	20	17	10	3	-
\$4000-4999	-	15	28	39	10	14
\$5000-5999	28	11	5	3	17	-
\$6000-6999	13	15	17	7	17	10
\$7000-7999	9	-	-	-	23	35
\$8000-8999	13	4	5	-	7	32
\$9000-9999	5	-	-	-	-	3
\$10,000+	5	8	-	-	3	3

Table 27: Per-unit sale prices for 3-unit buildings, by sub-area,
Model City Area (1968-70), in percent of sales

	Sub-Areas					
	1	2	3	4	5	6
Under \$1000	-	15	8	12	11	2
\$1000-1999	15	45	19	35	33	6
\$2000-2999	15	15	27	23	7	3
\$3000-3999	18	15	11	14	17	14
\$4000-4999	18	10	27	16	11	10
\$5000-5999	11	-	4	-	11	49
\$6000-6999	11	-	4	-	-	16
\$7000-7999	7	-	-	-	7	-
\$8000-8999	-	-	-	-	-	-
\$9000-9999	-	-	-	-	2	-
\$10,000+	5	-	-	-	-	-

Table 28: Per-unit sale prices for 4-6 unit buildings, by sub-area,
Model City Area (1968-70), in percent of sales

	Sub-Areas					
	1	2	3	4	5	6
Under \$1000	-	-	-	33	10	-
\$1000-1999	50	-	49	-	20	22
\$2000-2999	-	-	17	33	20	44
\$3000-3999	-	100	17	33	30	22
\$4000-4999	-	-	17	-	20	-
\$5000-5999	50	-	-	-	-	11
\$6000-6999	-	-	-	-	-	-
\$7000-7999	-	-	-	-	-	-
\$8000-8999	-	-	-	-	-	-
\$9000-9999	-	-	-	-	-	-
\$10,000+	-	-	-	-	-	-

Table 29: Per-unit sale prices for 7+-unit buildings, by sub-areas,
Model City Area (1968-70), in percent of sales

	Sub-Areas					
	1	2	3	4	5	6
Under \$1000	-	50	50	-	33	-
\$1000-1999	66	50	-	-	66	-
\$2000-2999	-	-	-	-	-	25
\$3000-3999	-	-	-	-	-	25
\$4000-4999	-	-	-	-	-	25
\$5000-5999	-	-	50	-	-	-
\$6000-6999	33	-	-	-	-	-
\$7000-7999	-	-	-	-	-	-
\$8000-8999	-	-	-	-	-	-
\$9000-9999	-	-	-	-	-	-
\$10,000+	-	-	-	-	-	25

Tables 25 through 29 clarify the differences among sub-areas by differentiating among buildings by size. The generally higher prices in Sub-Areas 1 and 6 are still reflected throughout all categories of size. Potential new ownership buildings -- 3-unit structures -- tend to sell for higher prices in Sub-Areas 3 and 4 than in Sub-Areas 2 and 5, however. That is even more true in Sub-Area 3 than in 4. That suggests that ownership of properties there carries a higher value -- that more buyers want to own and live in houses there, and are willing to pay for it. It also suggests that the condition of those kind of structures in the neighborhoods is probably better, on the average. The differences by sub-area for larger buildings are not conclusive, because the total number of sales was so low.

The pattern of sales prices as distributed geographically adds very little to the analysis above. Except for differences among sub-areas reflected in the tables, the pattern is irregular, for the reasons described earlier -- scattered ownership, mixing of buildings of varying size and condition on the same streets or within the same blocks. For those reasons, the pattern does not describe smaller areas within sub-areas where sales prices have a consistent relationship -- no blocks or groups with blocks where prices are mostly high or mostly low by contrast to other small areas. (This geographic pattern has been mapped and is available at the MCA, but has not been reproduced in this report.)

There are some obvious implications of these tendencies for housing development activity. A rehabilitation for homeownership program is likely to be more successful in Sub-Areas 3 and 4 than in 2 and 5, if the willingness on the part of buyers to pay more for resident-owned properties now is an accurate reflection of the relative attractiveness of those neighborhoods. That affects 2 and 3-unit buildings, where rental units can help carry the mortgage load after rehabilitation. The figures also indicate that buyers of 2 and 3-family houses -- and especially of 3's -- now pay

no more than \$5000-7000 per unit even in those areas, and many pay less. If that can be taken as an indication of either their willingness or their ability to pay, it means that a rehabilitation program would have to (1) focus on those buildings where acquisition costs are even lower, so that mortgages would be able to carry similar total costs to those levels after rehabilitation (and so that rents in the "extra" units would not be too high for the rental market to bear), or (2) rely on a subsidy of the rental units, in cases where acquisition costs were high, so that buyers themselves would not have to support larger mortgages on their own. If costs to the owners after rehabilitation are higher than those now prevalent, buildings might easily go unsold.

The lower prices of small buildings in Sub-Areas 2 and 5, presumably, reflect both buildings in worse condition and the lack of appeal of those neighborhoods for homebuyers. That conflicts to some degree with other evidence about Sub-Area 2, but that discrepancy may be explained by buyers who are willing to accept buildings in need of substantial repair because (1) they get a bargain; (2) they like the neighborhood; (3) they like the buildings themselves and can see the potential for rehabilitation; and (4) they have incomes that can support the costs of rehabilitation after purchase. Those characteristics certainly describe the white families who have begun to move into that area. Low sales prices of existing buildings used primarily by resident-owners may also mean that rehabilitated units at considerably higher costs, even if in substantially better condition, might not sell as well as they would in other neighborhoods.

Finally, the very low per-unit costs of existing housing for resident-owners means that new construction at significantly higher cost is at a competitive disadvantage, in terms of its appeal to families who are becoming owners for the first time. Even units that sell now for as much as \$5000-7000 can probably be rehabilitated and still be sold at a per-unit

cost significantly below costs for new construction of comparable buildings. (That is, new buildings of 2 or 3 units.) When that cost relationship is combined with the degree of prejudice against new construction that influences the area, it means that rehabilitation for homeownership is clearly a better option than new construction. New construction is feasible, if rental units are subsidized -- but the subsidy cost is then higher and limited funds will go less toward meeting an extensive need for rental subsidy.

The low per-unit cost in larger buildings should probably not be taken as an indication that the same situation with regard to rehabilitation versus new construction is true. These buildings are typically in worse condition, have always been rental properties and are absentee-owned as investment property. Rehabilitation costs per-unit may be higher than for smaller buildings, and there are economics in multi-unit new construction that can make it competitive to rehabilitating smaller older multi-unit buildings. If the choice is a risky rehabilitation of a 6-unit or 12-unit or larger apartment block, as opposed to replacing it with a new 30-unit structure -- and since the units will be for rental in any case -- new construction is often the better option.

Data on changes in sales price of residential property over time were also analyzed, to determine whether there were significant differences among kinds of buildings or sub-areas. The sample is smaller, since the sales studied were those for which the same property had been sold more than once, with the first sale within the past 20 years. Using successive sales of the same property is the only reliable way of controlling for individual differences among properties, which would make simple companions of "average" sales price at two different points in time difficult to interpret. The total number of multiple sales included, therefore, was 296.

The data show very little that can be related to the figures already presented on sales price. The sample, to be meaningfully analyzed, must be subdivided by sub-area and by size of building, since there have been significant differences in sales price as a function of those two variables; in addition, they must be subdivided as a function of when the second sale occurred, since there have been major changes in the Model City housing market over the total period of time covered by the data. When those divisions are made, the number of cases in any category is so small that comparative analysis would be pointless. That problem is increased because the range of years between sales, and of percentage changes in price, is so wide that "average" figures -- even when translated into change in price for year -- have little meaning. The data are presented in an appendix table.

One conclusion that the analysis does point to -- which confirms general knowledge of the Model City housing market -- is that investment in residential property is a considerable risk to the buyer. The number of cases in which the sales price of property actually decreased over time (or stayed the same, which is equivalent to a loss since inflation reduces the current value of the original investment) is no less than a third of all sales for 1, 2 and 3-family buildings. The differences between sub-areas, with respect to those neighborhoods which have been considered to be relatively better risks (Sub-Areas 1 and 6), are slight, and irregular enough to be insignificant.

Explanatory Notes on the Data

The sales price data used for this analysis were assembled from the file of the Metropolitan Mortgage Bureau, which publishes a trade journal (Appraisers' Weekly) and maintains records for use by real estate dealers, appraisers, mortgage bankers and tax assessors as well as for

other users. The MMB files are based on recordings of sales registered with the Registry of Deeds in each county covered by the Bureau. Information is transcribed from those records, and is subject to their accuracy. Use of the MMB files revealed the following problems:

- (1) For some sales, MMB files recorded the sales price but not the use of the property.
- (2) For some sales, the use is described only as "house", with no indication of the number of units. Since other entries describe properties as "single house" or "2-family house" or 3-family house", those simply classified "house" cannot be used to develop a comparative cost-per-unit figure.
- (3) Some properties (relatively few in number) involved the sale of a single parcel with several structures of different sizes. Since sales prices were being calculated per unit for size categories of buildings to determine the differences between kinds of buildings as well as between areas, these cases were eliminated.
- (4) Some sale prices were recorded as "subject to mortgage of \$____", meaning that the sale was contingent on the securing of a mortgage. For some sales, the amount of the mortgage so indicated exceeded the sale price itself; in those cases, the higher of the two was accepted as the value for this analysis. Again, those cases were few and do not significantly affect the overall results.

The total number of sales were recorded for the past 3 years (1968, 1969 and 1970) so that data would reflect the current state of the housing market. A total of 572 sales in the Model City area were described by enough information to be included. An additional 326 sales were recorded by Metropolitan Mortgage Bureau as having taken place, but fell into the first two categories described above and could not be included. An additional 14 sales were in the third category described, and were not included. 6 sales that were included involved residential units and a store (probably on the ground floor of a mixed-use building).

These were included in figures in spite of the possibility that the inclusion of a retail use might distort the value of the residential property, and could decrease the price paid essentially for the housing use of the building. In any event, the number of these cases was small enough that they do not significantly affect the figures. 7 sales with prices based on real estate foreclosures are also included, accounting for some of the lowest values indicated by the figures, although some sales prices were equally low.

In the Model City area, as noted in other sections, sales price data is only a partial index of the actual acquisition price of the property, since unpaid obligations (second mortgages, unpaid taxes, delinquent utility payments, personal loans secured by the property) add to the cost a new buyer must absorb. This factor affects especially larger buildings sold for investment, where the chances are greater of management problems like high vacancy rates or damages increasing operating costs and leading to financial problems.

Where Should Needs Be Met?

Model City Sub-Areas

The analysis of housing needs, and of alternative methods for producing the housing needed, has been carried out at the level of the Model City area as a whole. This has been done because the housing needs identified are a consequence of the operations of a housing market that clearly includes all of the Model City area and beyond, in terms of the movement of people and of the causes of their housing problems. That is, the black population in the Model City area is in reality part of the whole central city black community; the white population is a part of a larger context, as is the Spanish-speaking community in the Model City area. All of the sub-groups in the area -- not only racial and ethnic, but other meaningful ways of distinguishing among people, such as elderly households, large families, those newly arrived in the area as opposed to those who are long-term residents -- are part of a much larger set of patterns that respond only partly to geographical boundaries.

To talk about what happens "inside" the Model City area is implicitly to talk about how it fits in that larger pattern. Whatever sub-markets do operate within the Model City area, like the whole area housing market itself, are only coincidentally geographic -- that is, they are a function of different kinds of households and different kinds of housing units and how they interact wherever they are. White elderly households have very much the same kinds of housing problems in the Model City area that they do in another part of the city; the same is true for large black families. And elderly households in the area are probably more like elderly households in some other part of the city than they are like the rest of the population in the Model City area. The point is that the

primary reason for analyzing the Model City housing market as a geographical unit is because so many different kinds of groups with different housing problems (as well as other problems) live there that a program has been created which is defined by a set of geographical boundaries.

At the next smaller level of geographical area, the whole Model City area is divided into six sub-areas for purposes of planning and administration. These sub-areas do seem generally to represent actual "neighborhoods" -- at least as between one another -- although there are also areas within some of them that might also be defined as neighborhoods in the sense of smaller social-geographic units. But there is only limited value in analyzing the housing market within each sub-area, because each is also a part of a set of larger patterns of movements and changes. There is little meaning in saying that there is a greater need for low-income housing in Sub-area 4 or 5, or for moderate-income housing in Sub-area 2. What is productive is to examine how each sub-area fits into the picture defined by statistics for the whole Model City area, where there are special problems of families who now live in one sub-area that might be best solved by producing housing in that same area or in another area, and especially where there are special opportunities for producing housing, wherever the families who need it now live. It is also valid to question whether there is a different way of producing low-income housing or moderate-income housing that will work best in each sub-area.

SUB-AREA 1

Sub-area 1 is predominantly white, by contrast to the Model City area as a whole, with the black population actually slightly smaller than the

Spanish-speaking. The black in-migration to a traditionally all-white neighborhood is not a new development; reportedly, middle-income black families have been buying homes in the area for at least the past 5-10 years. The Spanish population is newer, and tends to be predominantly renters rather than owners. While the Spanish people in Sub-area 1 are disadvantaged relative to both the white and black residents, in terms of income and housing conditions, they are also reported to be better off than most of the Spanish population in the Model City area, and to be predominantly Cuban rather than Puerto Rican.

This sub-area has a somewhat older population than the Model City area as a whole -- not really a larger proportion of elderly or middle-aged residents, but fewer young children. About three-quarters of the people here are over 18, compared to about two-thirds in the whole Model City area. The white population is about half families with a few children and half older people. The black population is younger, mostly families or young couples or single people. The Spanish population is also mostly families with children. There are fewer very large families (six or more people) than for the whole area.

Incomes here are somewhat higher than in the whole Model City area, with fewer people below \$3,000 and more above \$6,000. There is a significant exception, in that half of the households with incomes below \$3,000 are single people (compared to 38% in the whole area). These are probably elderly single people living on small fixed incomes; the rate of Old Age Assistance payments in Sub-area 1 is almost double that for the area as a whole (as a proportion of households who receive public assistance of any kind). The incomes of families with children is higher; half of the families with three or more people have incomes above \$6,000, compared to only a quarter of the families in the Model City area.

The proportions of owners and renters in Sub-Area 1 are the same as for the Model City area, which contradicts the subjective impression that characterizes the neighborhood as composed more predominantly of resident owners. If the structures here were larger on the average than in the whole Model City area, it would be possible that the same proportion of units could be owned but a larger proportion of buildings owned; but this is not the case. In fact, the proportion of single-family homes is slightly larger, and of apartment buildings with 10 or more units slightly smaller. That suggests that many observers' impressions of Sub-area 1 are dominated by the part of the sub-area that does fit the pattern of middle-class owners with homes in good condition -- the neighborhoods between Washington Street and Franklin Park, and around Our Lady of Lourdes Church, for example. Conversely, the other parts of the sub-area -- above School Street or Boylston Street, Washington Street itself -- fade into a grey background and are overshadowed by the parts of the area that do create a distinct image. That conclusion is supported by the figures on condition of structures in the sub-area, by contrast to the whole Model City area. Fewer are actually in good condition, and more need either major or minor repairs.

The overall picture that emerges, then, is not as clear-cut as first impressions might suggest. The neighborhood is clearly not simply a stronghold of white, ethnically homogeneous homeowners maintaining a solid front against an expanding black community. Obviously, part of the explanation for the small proportion of black population may be racial discrimination in selling or renting. It is also true, however, that the vacancy rate is lower than for the area as a whole (10% as opposed to 25%), and sales prices of property are somewhat higher. The neighborhood is not as much better off than the rest of the Model City area as it looks on the surface, and there is a considerable need for rehabilitation, and for less expensive housing for the elderly.

and are well known at present and will be discussed here.

The first group consists of the so-called "natural" or "normal" proteins, which are found in all living cells and tissues.

Secondly, there are the "abnormal" or "pathological" proteins, which are found in diseased cells and tissues, and are often associated with disease processes.

Thirdly, there are the "synthetic" or "artificial" proteins, which are made by man in the laboratory for specific purposes.

Fourthly, there are the "modified" or "altered" proteins, which are obtained by changing the properties of normal proteins.

Fifthly, there are the "inorganic" or "mineral" proteins, which are found in the soil and water.

Sixthly, there are the "organic" or "natural" proteins, which are found in plants and animals.

Seventhly, there are the "synthetic" or "artificial" proteins, which are made by man in the laboratory for specific purposes.

Eighthly, there are the "modified" or "altered" proteins, which are obtained by changing the properties of normal proteins.

Ninthly, there are the "inorganic" or "mineral" proteins, which are found in the soil and water.

Tenthly, there are the "organic" or "natural" proteins, which are found in plants and animals.

Eleventhly, there are the "synthetic" or "artificial" proteins, which are made by man in the laboratory for specific purposes.

Twelfthly, there are the "modified" or "altered" proteins, which are obtained by changing the properties of normal proteins.

Thirteenthly, there are the "inorganic" or "mineral" proteins, which are found in the soil and water.

Fourteenthly, there are the "organic" or "natural" proteins, which are found in plants and animals.

Fifteenthly, there are the "synthetic" or "artificial" proteins, which are made by man in the laboratory for specific purposes.

Sixteenthly, there are the "modified" or "altered" proteins, which are obtained by changing the properties of normal proteins.

Seventeenthly, there are the "inorganic" or "mineral" proteins, which are found in the soil and water.

Housing Development in Sub-Area 1

A significant stimulus for improvement of the neighborhood exists in the former Haffenreffer Brewery, now used only marginally for warehousing, and the other industrial uses around the brewery. The presence of the industry does appear to be a blighting influence on the surrounding housing, and the neighborhood could be expected to favor a change of use of the land to new housing. That obviously means an urban renewal project, which has its own set of problems. But if new housing is planned as part of a broader improvement program, including rehabilitation of existing housing around a re-use site, it would probably be received positively. The location of the site is fortunate because of its proximity to the proposed Family Life Center and to the Cornwall Street playground to be refurbished, since the cluster of new development creates a focal point. It is important that new construction and rehabilitation be interrelated in time staging very carefully, so that new housing is not viewed as an isolated "project"; rehabilitation should proceed at least concurrently with, if not before, the new construction. It would also be helpful if new construction of the same type as on the re-use site could be scattered on vacant parcels in the surrounding neighborhood, to soften the edges of new development. New housing should be designed in scale with the existing neighborhood, which means no more than 3-4 stories in height. Again, the degree of contrast between existing housing and new construction will influence its acceptance in the neighborhood.

There is some possibility that new housing on and around the brewery site would be occupied primarily by people from outside the neighborhood. That might influence the attitude of present residents toward a redevelopment proposal, although contacts with people in the neighborhood suggest that residents do not associate new housing with a fundamental change in the neighborhood and do recognize the probability that those who use it might come from other parts of the Model City area. People

now in the area might also find new housing an attractive option -- especially younger families who now rent. The deciding factor as to who would use new housing probably has more to do with what is built than with changes taking place within the neighborhood; low-cost rental units would attract families from outside, as well as some of the recent Spanish arrivals, and higher-cost ownership housing could more likely be filled by present neighborhood residents. The rental units they would leave behind, after rehabilitation, would probably be occupied in turn by new arrivals to the neighborhood, and so the net effect in terms of changes in population might be the same. Elderly renters who now live in substandard units at costs higher than they can afford are probably not potential users of new housing. A rehabilitation and lease program channelled through the Housing Authority is a critical need for them, however.

Sponsorship of a new housing development or of a rehabilitation program is a critical factor in this area. The Ecumenical Social Action Committee formed by neighborhood churches, which is now involved in a pilot home-ownership rehabilitation project, is the most likely potential sponsor. ESAC is not necessarily anxious to undertake a larger and more complex project soon, though, and the timing of a project on the brewery site should probably be determined by their sense of priorities. It may be, in fact, that the best sequence of stages would be to expand the rehabilitation program just begun, combined with rehabilitation by present owners, before a new construction project is attempted -- so that present neighborhood residents have a real sense that their needs are being attended to first. The options should be discussed with the neighborhood as the means to make that decision.

SUB-AREA 2

Highland Park is a predominantly black neighborhood, although a quarter of the population is white -- divided between mostly older homeowners who have been in the neighborhood all their lives and a much smaller number of newer white buyers who have been attracted by the housing stock (the neighborhood has some of the best historic houses in the area). The population is older than in the area as a whole, both white and black. There are reported to be a growing number of households composed of a number of younger single people -- white, black and Spanish.

Incomes in the neighborhood are close to those in the whole Model City area -- about a third of the households below \$3,000, another third between \$3,000 and \$6,000, and the remaining third above \$6,000. As in Sub-area 1, most of the lowest income households are one or two persons, predominantly elderly people, and the higher-income households are primarily families of three or more. Household sizes are about the same as in the area as a whole -- a little more than half one or two people, about two-fifths families of three to five people, and about one-tenth large families of six or more.

The vacancy rate in the neighborhood's housing is even higher than that of the whole area -- slightly more than a third of all units are vacant. Housing is in somewhat worse condition, too, with almost a third of all the buildings needing major repair, compared to a fifth in the whole Model City area. The sizes of buildings -- in terms of numbers of units per structure -- tends on the average to be smaller. There are slightly more one-family houses and 3 - 4 unit structures, and somewhat fewer large apartment buildings.

Changes Over Time and Their Implications

In spite of the neighborhood's problems, it appears to maintain its standing as one of the Model City area's more resilient areas. The fact that there has been a movement back into the neighborhood over the past several years by young white families is an indication of its appeal, although the trend has not been viewed with unlimited enthusiasm. Some neighborhood residents see the beginning of a turnover in population such as has characterized parts of the South End, with an influx of white professionals with higher incomes attracted by the architectural richness and cultural diversity of the area, and a consequent rise in property values. They fear the next stage in the cycle, with rents escalating beyond the reach of lower-income families, and pressure for "improvements" in the neighborhood to serve a very different life style. Other observers see the changes in the neighborhood as a healthy sign, and feel that new families will add strength and organizational ability and experience, and can press for better services than lower-income residents alone could demand. The debate focuses mostly on where the "tipping point" lies -- very much the same question that is asked about a change in the population of a neighborhood from predominantly white to mostly black, or about the mixture of families of the same race but different income levels in a neighborhood. How can a genuine mixture be maintained, so that no one group becomes dominant as a force in a neighborhood, or at least so that its influence does not so far outweigh its numbers that it becomes a controlling minority?

Other kinds of changes have also been taking place in Sub-area 2, one of the most obvious being the Madison Park renewal project. The neighborhood has developed a sense of being threatened by external forces -- not only renewal, but the Inner Belt and Southeast Expressway,

and by institutional expansion. The proposal on the part of the University of Massachusetts to develop its Boston campus in Highland Park (before the decision was made to locate at Columbia Point) is still fresh in the minds of neighborhood residents. Their logic tells them that, if the neighborhood was a desirable place for institutional use a few years ago, nothing has changed its desirability by now. There are rumors -- whether based in truth or not, they are persistent and strong in the minds of the people -- that Boston hospitals and universities are acquiring land through secondary purchases.

Housing Development in Sub-Area 2

Whatever housing activities are initiated in the neighborhood must clearly respond as much to residents' sense of the meaning of these trends to them and the problems they create for them, as to satisfying actual needs for production of housing units. That is, decisions on the use of available sites or on location and kind of rehabilitation must be decidedly strategic as well as functional.

With that as a premise, it seems clear that the highest priority in the neighborhood must be for housing for low-income families. Most elderly residents would probably not leave their homes for apartments, even if their homes now need substantial repairs or cost them too much. There is enough vacant land in the neighborhood that developers who see a market for moderate-income or higher-cost housing will be better able to find sites. But lower-income families will be the first to be squeezed out if the neighborhood does follow a trend toward higher incomes and housing costs, and only direct public action before it happens can prevent that.

and the 1990s, and you can see a sort of convergence between the two approaches to climate and risk analysis. A more detailed discussion of the different approaches to climate and risk analysis is provided by the authors of this paper, and also by the editors of this special issue. In this paper, we will focus on the relationship between climate and risk analysis, and the implications of this relationship for climate and risk analysis. We will also discuss the implications of this relationship for climate and risk analysis, and the implications of this relationship for climate and risk analysis.

Climate and Risk Analysis

Climate and risk analysis are two distinct types of analysis. Climate analysis is concerned with the assessment of climate change and its impacts on society and the environment. Risk analysis is concerned with the assessment of risks associated with climate change and its impacts on society and the environment. These two types of analysis are related, but they are not identical. They are related because they both involve the assessment of risks associated with climate change and its impacts on society and the environment.

Climate and risk analysis are two distinct types of analysis. Climate analysis is concerned with the assessment of climate change and its impacts on society and the environment. Risk analysis is concerned with the assessment of risks associated with climate change and its impacts on society and the environment. These two types of analysis are related, but they are not identical. They are related because they both involve the assessment of risks associated with climate change and its impacts on society and the environment.

Climate and risk analysis are two distinct types of analysis. Climate analysis is concerned with the assessment of climate change and its impacts on society and the environment. Risk analysis is concerned with the assessment of risks associated with climate change and its impacts on society and the environment.

The proposed renewal project centered on Kitteridge Park provides an early opportunity to carry out that objective, by making low-cost parcels available for new housing construction. Other large parcels of publicly-owned land exist in other parts of the neighborhood, but they should carry second priority to making optimum use of renewal land for those who need it most. Since the neighborhood has a substantial resource of vacant land, and the advantage of a proposed renewal project, it offers an opportunity to focus on the need for large-family units that has been identified as one of the critical needs. It also provides an opportunity to maintain the relatively low density that now characterizes the neighborhood without unreasonably limiting the number of units produced.

The neighborhood also has organizational resources that can work to support the construction of low-cost housing, so that the neighborhood itself can control the new development that takes place. The Roxbury Action Program is already involved in rehabilitation of units owned by the Housing Authority, and will build a base of experience in that project that could extend to more development activity. The Church of Saint James and Saint John (Episcopal) is already involved in a range of community service programs, and could be a logical sponsor for new housing construction, with either a limited subsidy like MHFA or 236 for eventual lease to the Housing Authority, or through a turnkey arrangement with private management or tenant purchase.* Although a community-based sponsor is not the normal method of developing turnkey public housing, it has advantages -- the sponsor can act as the organizing and planning vehicle to avoid superimposing new housing without

*The rector of Saint James and Saint John, Fr. Robert D'Onofrio, has experience in subsidized housing development. Discussions through Fr. D'Onofrio with his congregation should be initiated at the earliest possible time, to explore their involvement as a sponsor for new housing.

community involvement, and can provide resource for management after construction, if private management is a preferable option. Since actual construction and the technical function of management would probably be provided by private firms under contract to the sponsor, and through them to the Authority in any case, the time and cost advantages of the turnkey method over Authority development and construction need not be sacrificed.

The amount of new housing that could be developed, through both new construction and rehabilitation, is probably larger than the need generated solely from within the neighborhood, and a shift in population either from other sub-areas or from outside the Model City area should be anticipated. If a substantial number of large-family units can be produced, some movement from Sub-area 3 and Sub-area 5, where large families now live, would be a probability.

The neighborhood is also concerned about rehabilitation of the existing housing stock, especially the large number of vacant buildings. A homeownership rehabilitation program should have a good chance of success here, depending on whether large enough units can be created to attract buyers. It would be extremely difficult to define a priority as between rehabilitation and new construction, especially since an ownership effort relies to some extent on Housing Authority leasing of rental units in multi-unit buildings and thus results in an increased supply of housing for low-income families.

SUB-AREA 3

The racial composition of the population is generally the same as the Model City area as a whole, except for a large -- and fast-growing -- Puerto Rican community. Unlike the Spanish in-migrants to other parts

of the Model City area, the Puerto Rican families here (and in Sub-Area 4) are reportedly new arrivals from the island, rather than families relocating from the South End. They are mainly from rural parts of Puerto Rico, and arrive with few employable skills and virtually no money. Their entry into the neighborhood follows the classical pattern; one member of a family comes, finds work wherever he can, and brings the rest of the family as he can afford the cost. The Spanish community is extremely close-knit and inwardly oriented, a tendency which is reinforced by the language barrier. New arrivals often double up in apartments until a family is reassembled, then try to find apartments as close as possible to relatives or friends. Families tend to be large, and thus overcrowded in small, inexpensive apartments. The black population moves -- presumably out of the neighborhood -- as the Puerto Rican settlement expands, and there is little intermingling and considerable tension between the two groups.

There appear to be two distinct neighborhoods within Sub-area 3, generally divided by Moreland Street. Between Moreland and Maywood Street, the predominantly black population is middle-income, many fairly long-term residents with a relatively high rate of homeownership, and housing in better condition than in the rest of the sub-area or in the Model City area as a whole. Above Moreland Street, the Puerto Rican community has recently begun to expand, and the area is dominated by the Orchard Park housing project, which houses a quarter of the sub-area's families. The white population is mostly older homeowners, scattered throughout the sub-area.

The sub-area has a slightly older population than the Model City area as a whole. More of the families are large, with six or more people, but there is also a larger proportion of one and two-person households, presumably older. Incomes are lower than in the whole Model City area,

although these figures reflect the presence of Orchard Park. Almost half of the sub-area's households are below \$3,000, and more than four-fifths are below \$6,000. Most of the families with children have low incomes.

The sub-area has more large buildings, with five or more units, although this too reflects Orchard Park. Housing overall is in somewhat better condition, principally accounted for by the area below Moreland Street.

Housing Development in Sub-Area 3

There is very little vacant land in the area for new construction, and the neighborhood seems to think more in terms of rehabilitation. There is a need for availability of rehabilitation loans and grants to owners, and of devices for rehabilitation of non-owner-occupied buildings. A homeownership rehabilitation program would appear to be a good option here, since there is a relatively high level of maintenance by owners now; mortgage financing seems to be the key, since the desire to buy is reported to be strong. Purchase of rehabilitated three-deckers by current residents who now rent also is reported to hinge on stable, longer-term tenants. It may be questionable whether an ownership program that relies on leased housing would be acceptable here; conversely, it may be that rental costs to tenants after rehabilitation could be somewhat higher and still meet the needs of families who wish to stay or to move here, but want to rent rather than buy. The stability of the neighborhood hinges on supporting services and facilities -- police protection, street cleaning, recreation and schools -- at least as much as on housing conditions. Any new construction, on the infill model either on scattered vacant lots or on lots where housing cannot be rehabilitated, should be extremely small-scale -- one to three unit buildings at the most.

SUB-AREA 4

Some of the discussion of population and housing trends in Sub-area 3 applies equally to Sub-area 4, since the boundary between them is irregular and many of the population movements overlap it. The growing Puerto Rican community extends across both sub-areas, and the "neighborhood" for purposes of analyzing that development is really one that runs more east-west around Dudley Street than north-south with Blue Hill Avenue as a dividing line. In the same area there is a relatively new Cape Verdean Portuguese community growing, presently estimated to include several hundred families. They are reported to be moving directly from the islands (rather than relocating from other parts of the state which have substantial Portuguese populations), are relatively high-skilled workers with modest middle incomes, and can often afford to buy homes soon after arriving in the neighborhood. Property maintenance and improvement is a high priority. The white population, as in other neighborhoods, is predominantly owners who have lived in the area for many years. There is a large elderly component in the white population, but also a larger proportion of families with children than in other areas which have a minority white population. The white community is predominantly Italian and Irish, with Italian families concentrated in the part of the sub-area closest to the industrial district in the northeast corner, and is reported to be growing smaller as children finish school and families leave for other neighborhoods. The black population is reportedly also diminishing in size as the Puerto Rican community grows, and some observers project that within 10 years the northern parts of Sub-areas 3 and 4 (with the exception of the Orchard Park project) will be predominantly Puerto Rican.

Currently, the white population is actually somewhat larger than in other sub-areas (with the exception of Sub-area 1) and in the Model City area as a whole -- two-fifths as opposed to one-third. The Puerto Rican families

are one-tenth of the neighborhood, and black families account for half the people. The population is younger than in other neighborhoods -- more children and fewer elderly households. Household size is also larger on the average, but is accounted for by an unusually large proportion of families of three to five persons, rather than very large households -- and a corresponding lower share of one and two-person households.

Incomes are lower than in the whole Model City area, and unlike other sub-areas, aggregate figures are not pulled downward by small elderly households with very low incomes. Rather, families of three to five people have lower incomes here -- more than two-fifths are below \$3,000, and four-fifths are below \$6,000. This reflects the Puerto Rican families, who are large with very low incomes -- but they alone cannot account for the whole trend, and so black families must also be lower-income than in other sub-areas. This neighborhood is the first among the sub-areas described so far where the proportion of households receiving AFDC payments (among all households receiving all kinds of welfare) is as high as for the whole Model City area.

The housing stock is in slightly better condition than in the Model City area as a whole, probably reflecting the slightly higher rate of long-term family owners (by contrast to elderly owners in other sub-areas who have difficulty maintaining homes on limited incomes). More of the units here are in 3-4 unit buildings, and fewer in larger apartment structures. About a quarter of the units are vacant, the same proportion as in the whole Model City area.

Housing Development in Sub-area 4

One of the primary housing issues identified by interviews in the community is the role of the Orchard Park project in relation to the Puerto Rican

community in Sub-areas 3 and 4. Reportedly, Puerto Rican families who apply for and are placed in public housing projects are relocated out of the neighborhood and into projects where a high vacancy rate causes internal financial problems, like Columbia Point, Whittier Street and Bromley Heath. The Spanish community interprets this to some extent as a deliberate attempt at dispersal of the growing Puerto Rican population, and considers the Orchard Park project part of their "turf", and the maintenance of Orchard Park as a predominantly black project increases tensions between the two segments of the population.

The relationship between black and Puerto Rican people -- as well as between the newer Puerto Rican and the remaining white population -- makes decisions about new construction on either presently vacant or redeveloped sites, and about rehabilitation of existing vacant or non-owner-occupied housing, of critical strategic importance.

The primary need of the white families is for rehabilitation money to owner-occupants, and it is not clear that even that input would maintain the balance as it now exists. White elderly residents of the neighborhood need housing, in either new or rehabilitated-for-lease units, but whether availability of better housing in Sub-area 4 would be their first choice is not really clear. The elderly population is especially troubled by street crime, and the proposed relocation of the neighborhood police station to the new facility near Dudley Street Station reportedly has increased their apprehensions. All things considered, they might prefer new or rehabilitated housing in another neighborhood to an attempt to produce it here.

Most of the black and Puerto Rican families in the neighborhood who need housing need units at very low cost, which means a Housing Authority subsidy in some form. Whether housing should be developed through new

construction or rehabilitation is more a question of the cost advantages of specific alternative projects than of any other factor. The question of where they should be developed, and who should take responsibility for development, is a different issue. Spanish households would undoubtedly prefer to have access to housing in the neighborhood, rather than new housing somewhere else -- even if low-cost units for large families could be developed more easily in another neighborhood. That suggests new construction or rehabilitation on sites and blocks closest to the present concentration of the Puerto Rican community around Dudley Street, in the northern part of the sub-area. A sponsor of such development might be St. Patrick's Church, which occupies a unique position to some extent as a bridge between the new Puerto Rican and older Italian and Irish white community. The church has not been directly involved in housing activity before as a community institution, although individual members of its clergy have been active in working with groups in the community on issues including housing. It would seem best to attempt to initiate development projects as much as possible from within the Spanish community itself, which needs unifying organization badly; housing development could easily be the focus of that organization. Most of the Spanish community organizations, or groups dealing with the problems of the Spanish community, appear presently to be more localized in the South End where the Puerto Rican population is relatively older and better established. Whether any of those groups could function as the vehicle for involving the Dudley Street Spanish community in planning and development of housing is not clear, but should be explored as soon as possible.

The more southerly part of Sub-area 4, into which the Spanish community has not expanded, is another issue. The Gouldville Terrace renewal project, for which survey and planning funds have been applied but not yet received, is clearly a critical strategic step. At the moment, preliminary planning studies indicate that extensive rehabilitation would not be as feasible as redevelopment and new construction, but that kind of action

must clearly be preceded by development of relocation housing resources, perhaps in other sub-areas. Reuse here, as in the other proposed renewal areas, should concentrate on the development of low-cost family housing since land costs can be manipulated to make that feasible. This part of the sub-area, together with most of Sub-area 5, suffers from a general lack of community organizations or institutions which could serve as sponsors of development projects, suggesting that the stimulus for initiation of projects would have to come from public or private agencies outside of the neighborhood, or from new neighborhood-based organizations.

SUB-AREA 5

The neighborhood significantly departs from other sub-areas in being predominantly black, with very small white and Spanish components in the population. The population is considerably younger than in most other sub-areas (except Sub-Area 6), and families are larger. There are some older white households, but they are many fewer. More of the black population is composed of older residents than in other sub-areas.

The overall income distribution of the sub-area's population is about the same as for the Model City area as a whole, but there are some significant differences within that distribution. As in Sub-Area 4, more of the families with children have lower incomes -- and the smaller households account for most of those with incomes above \$6,000. More than 85% of the families with three to five persons are below \$6,000, and virtually all of the families with six or more people are under \$6,000. More than half of the sub-area's families receive welfare assistance of some kind, and two-thirds of those receive AFDC payments -- a higher proportion than in any other sub-area.

The neighborhood's housing, surprisingly, is not in significantly worse condition than housing in the whole Model City area. A little more than a fifth of the units are vacant. A somewhat larger proportion of the structures are in need of minor repairs, but the same proportion as in the whole area are in good condition. Buildings are larger on the average than in the rest of the area -- fewer units are in 1 or 2 unit structures, and a quarter of all the units are in buildings with 5 or more units.

Housing Development in Sub-Area 5

The neighborhood has one of the three proposed renewal projects in the Model City area, which is already programmed to include a moderate-income housing development sponsored by Freedom House, with about 130 units. The remainder of the project area is currently scheduled primarily for rehabilitation. The chances of the renewal project stimulating second-round development activity without further direct public action appear to be slight. The area does not have large currently vacant sites other than the one now slated for new construction, and most of the buildings in the area are non-owner-occupied and unlikely to be rehabilitated without public intervention or assistance. There are a number of larger totally vacant buildings in the northern part of the sub-area around Quincy Street and further north into Sub-Area which might be susceptible to rehabilitation, but that is probably feasible only through public action. Experience in the area provided by the Housing Innovations homeownership demonstration project indicates that the relatively low per-unit purchase price of property is offset by the extensive liens and other obligations attached to the property through second mortgages, unpaid taxes and utility bills, and other loan obligations. An experiment in acquisition and rehabilitation by the Housing Authority, involving tax agreements with the City, is probably the most feasible method of achieving rehabilitated units at reasonable costs. Further south in the sub-area, around Washington Street, housing is in somewhat better condition although rehabilitation is still needed for

many buildings. There are some long-term black homeowners in the neighborhood who want to stay, who will take advantage of rehabilitation assistance if it is available at costs they can afford. In spite of the Housing Innovations experience, interviews in the area indicated a strong interest in ownership, for either newly-built or rehabilitated units, especially for large family units.

The role of Blue Hill Avenue in influencing the attitudes of residents about the neighborhood appears to be very strong, and development activity on Blue Hill would probably have substantial effect. A proposal for rehabilitation and new construction at the intersection of Blue Hill and Quincy is now being developed by Rev. Virgil Wood; the execution of that project would be an important symbolic action beyond production of housing units. ABCD is also engaged in planning for housing development (as well as other uses) on Blue Hill Avenue through Sub-Areas 4, 5 and 6, and their work should be able to supplement the development-generating role of the MCA.

SUB-AREA 6

About three-fourths of the population here is black, with very small white and substantial Spanish segments. The neighborhood became predominantly black only 4 or 5 years ago, as the black community expanded south into Dorchester and Mattapan. Many families came to the neighborhood from the Washington Park renewal area (and some have since moved further out) rather than by any "natural" process of moving outward. The Spanish in-migration is still more recent, and reportedly is predominantly the result of relocation from the South End public and private activity. It is too early to tell whether that movement represents the beginning of a new Spanish settlement there, or is a transitory development leading to another eventual destination. The black population is more middle-class oriented, with

a higher rate of homeownership than in other sub-areas, and reportedly higher incomes as well.

Some of these reported differences are only reflected slightly in the available data. The statistics indicate that the income distribution here tends somewhat to higher incomes, although about half of the families of 3-5 people are still below \$6,000. It is likely that there is still a substantial segment of lower-income black families in the neighborhood, and that their presence is overlooked by observers whose impressions are more influenced by the visibility of the better-off black homeowners. In spite of higher income on the average, the proportion of families receiving AFDC (among those receiving some kind of welfare assistance) is the same as for the whole Model City area, but fewer households receive any assistance at all.

Household size is about the same as in the whole Model City area. There are fewer elderly residents, and there are more young children in the neighborhood's families than in the area as a whole. There are some indications that the Spanish families here tend to be smaller than in other neighborhoods. Fewer of the neighborhood's families are female-headed (with only one parent) than in any other sub-area, reflecting the higher income and more middle-class life style. (Sub-Area 1 has virtually the same proportions as Sub-Area 6.)

The housing stock is in the same condition as for the whole Model City area, with about a third of the buildings in good condition and half needing minor repair. The vacancy rate is much lower than in the Model City area as a whole -- less than 10% compared to 25% -- and lower than in any other sub-area. Buildings are slightly smaller on the average, with more 2-family structures than in the area as a whole.

Housing Development in Sub-Area 6

Renewal is not a good option for housing development in this neighborhood. A substantial part -- and probably the most influential part -- of the population carries the Washington Park experience in their minds, and is suspicious and hostile toward the BRA and renewal. Not only homeowners in the neighborhood, but also renters who relocated from Washington Park because rents after rehabilitation were higher, share this feeling. Whether that hostility carries over onto the Model City program and the MCA is difficult to determine, but it would not be surprising.

There is almost no vacant land for new construction, except in scattered lots, and the neighborhood is reportedly not anxious to encourage infill construction. Low-income housing in general would probably be unwelcome in any large new amounts, except for units for the elderly developed through leasing by the Housing Authority. Even a limited rehabilitation program might be difficult to undertake unless it produces moderate-income units, preferably for homeownership! Interviews indicate that the middle-class black population is waiting to see what develops here before making the decision to stay or to move further out into Dorchester and Mattapan. An effort to develop low-cost housing might easily act as the signal to them to make the latter choice, and that probably includes efforts to improve housing conditions only for the low-income families who now live in the neighborhood, since that could be interpreted as an encouragement to more lower-income families to come.

That state of affairs means that although the needs of the neighborhood's low-income families are of higher priority, a program must be developed which integrates those needs with other priorities in the neighborhood. Attention cannot be focussed simply on the "pocket" of substandard housing around Erie and Ellington Streets. The best strategy appears to be one

which would approach the problem of rehabilitation as a neighborhood-wide issue (which it is) rather than as a localized problem, and would point out that there is scattered substandard housing throughout the area. A program built around rehabilitation of absentee-owned buildings as a major thrust would be more acceptable (although it should be accompanied by availability of funds for owner-occupied rehabilitation), and it should have private rather than public sponsorship. The program which would be the most acceptable would include both ownership and rental, producing moderate as well as low-cost units. Low-cost units should be produced by scattered leasing after rehabilitation rather than concentrated in areas where low-income families now live. A program financed through MHFA or with a combination of FHA 235 and 236 funds would offer that kind of flexibility.

The program outlined would result primarily in improvement of the existing housing stock in the neighborhood, rather than a net increase in the amount of housing available, unless some vacant units or totally vacant structures can be rehabilitated. That should be explored as a first step, so that relocation resources for families now in units to be rehabilitated can be developed within the neighborhood if at all possible. A minimal amount of new construction should be accepted as a realistic constraint.

The sponsorship for that kind of program would have to be developed from a new community organization effort, in all likelihood. There is a coalition of groups currently involved in a housing development project (Lena Park) just out of the sub-area, involving the construction of about 100 2-bedroom units, and plans later to add larger units in other buildings and rehabilitation of existing housing to the project. It also involves conversion of Hecht House to a community center, and provision of some recreational facilities. That project has run into difficulties after beginning construction, however, and it is unlikely that any of the participants could ..

or should be diverted to act as the focus for a new project within the sub-area. The options are: (1) to identify another sponsoring group within the community, which would have to develop a neighborhood-wide base; (2) to wait until the difficulties with the Lena Park project are resolved, and some of the experience and knowledge gained there could be applied to a neighborhood-wide rehabilitation effort; or (3) to undertake rehabilitation by a commercial developer, with disposition of the rehabilitated units either by sale to the Housing Authority, to a management entity to be formed later, or to individual owners. Either of the first two options is preferable, especially since some resistance or at least indifference to the program form within the neighborhood should be expected, which can probably only be countered successfully from within. The introduction of an outside actor could easily stimulate even more suspicion and fears of an unwelcome change in the neighborhood. Since an outside developer would undoubtedly wish to become involved only if he could dispose of units after rehabilitation without becoming involved in a long-term management responsibility, some preferably local management capability would have to be created. Development of local sponsorship at the beginning of the project could resolve both those issues more easily.

Housing Information System

Housing development activity of the MCA clearly has a need for current and reliable information about people and housing in the Model City area. In general, there are three purposes for an "information system":

- (1) To provide "monitoring" information about changes in the area so that housing programs can be designed to respond to needs;
- (2) To provide "production" information that is required to develop or support specific projects; and
- (3) To provide information to evaluate the effectiveness of development activity in the area, to measure changes in conditions after programs have been executed, to determine if they have had the desired effect.

The information system which is outlined in this section focusses on the first two needs, since these are the most immediate, and because evaluation has to do with more than simply measuring changes in quantitative indices of conditions and information needs and methods related to evaluation should be developed as part of a comprehensive evaluation program rather than as part of housing development activity.

INTRODUCTION

A helpful starting point in outlining an information system that can be useful for housing development and services is to define some basic terms.

Very often the misuse of terms causes confusion about the capabilities or performance of an information system.

Data = Facts about a subject

Information = A group of facts (data) combined together to form a meaningful description of the subject

System = A logical procedure

Information System = A logical procedure for accumulating data and providing information

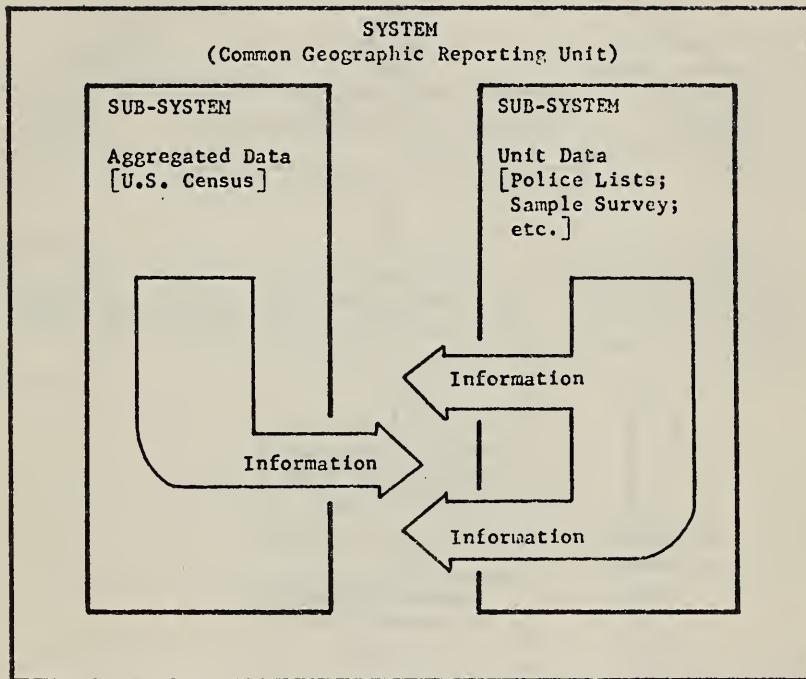
System Output = Information which the user requires

System Input = The set of data required by the system to provide the output

To help prevent additional confusion let us understand that in this report we are considering both information systems and sub-systems. An information system provides the information required and is composed of sub-systems (see Figure 1 below). A sub-system might provide only part of the information needed or provide it less frequently than desired.

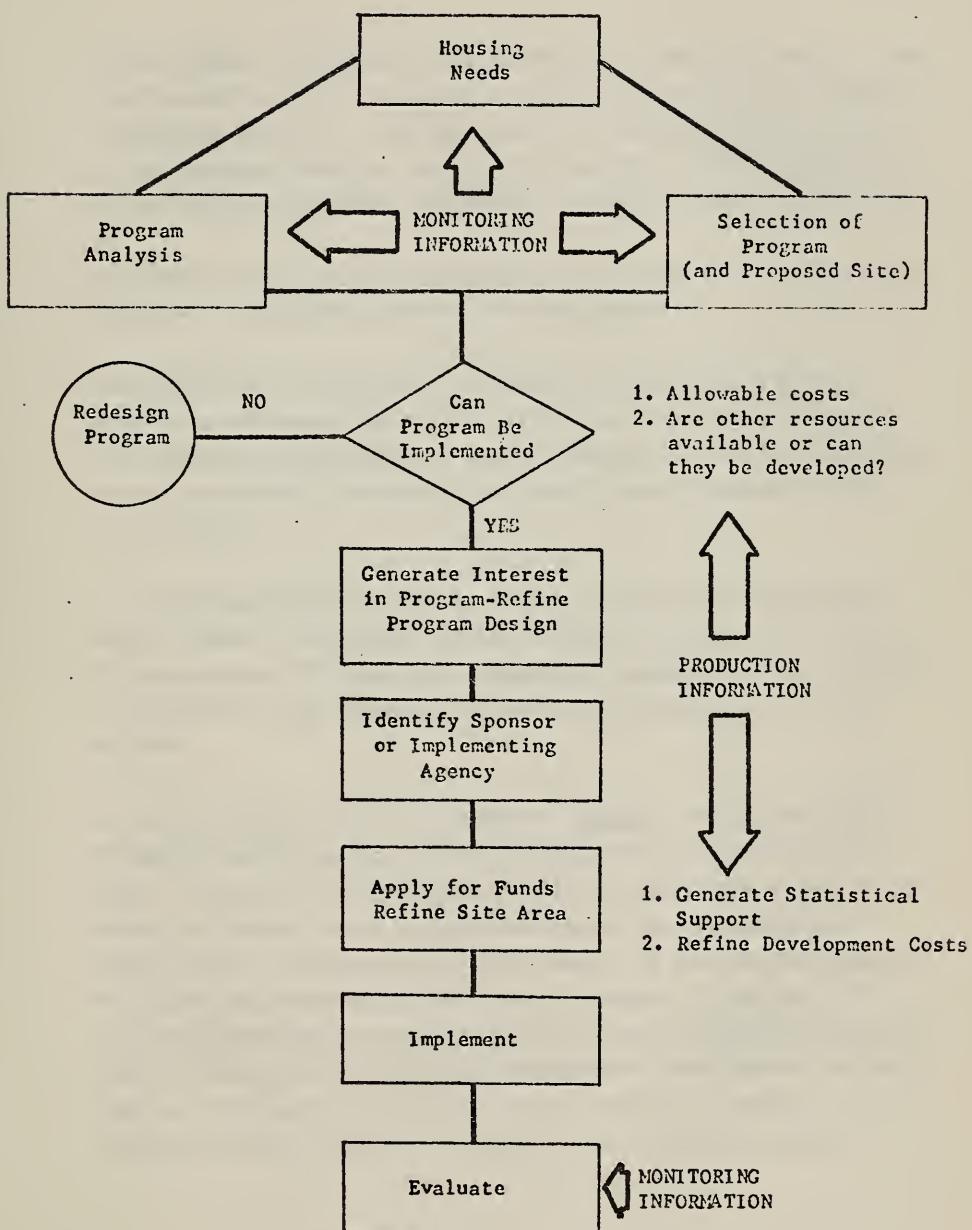
Now that terminology is clear, a definition can be stated of what an information system is supposed to do. An information system is a tool which will provide the user with relevant information to make meaningful comparisons between alternatives. The user should not expect the system to make policy decisions; rather he should use the system to provide sufficient information for him to make meaningful decisions.

Figure 1: Information System and Sub-systems



The first step in the development of the information system is to determine the information needs of the user. This was done by examining the operation of the Model City housing program (see Figure 2). There are basically two different sets of information needs generated

FIGURE 2: Sequence of activity in housing development program



by the program. One need is for information to monitor changes in the housing market, while the second is for information needed in housing development activity. Both sets should be capable of being indexed by a geographic variable, that is, the capacity to report information on any defined geographic area should be present (size is a limitation).

The second step is to list information needs, with criteria for their inclusion in the system (see the following matrix).

Once again, it is important to recognize the distinction between monitoring and production needs. Monitoring information should not be restricted to areas smaller than a sub-area; production information can be restricted to reporting for a small group of parcels or even one structure.

The next step in this process is to determine the data requirements, and to examine data sources for the following factors: (1) access, (2) reliability, (3) form, (4) frequency of updating. This evaluation is reflected in the discussion of the two sub-systems in the next section.

We are now ready to design the system. Caveat: the columns listed "Priority" and "Frequency" in the information matrix have been left blank. Instead of attempting arbitrarily to make these decisions and design the system biased by these decisions, the relationship of these factors to the design are illustrated and the user can complete the design by determining priority and frequency of updating. If all the information can be made available from existing or relatively easily developed sources of data, decisions on priority are that much simpler. The basic decision may revolve around the question of whether the MCA will in fact be responsible for initiating housing

INFORMATION

PRIORITY FREQUENCY

SAMPLE FORM

1. Size of Units

<input type="text"/>	<input type="text"/>
----------------------	----------------------

SIZE	#
1 bedroom	
2 bedrooms	
3 bedrooms	

2. Cost of Structures

<input type="text"/>	<input type="text"/>
----------------------	----------------------

\$1000	\$2000
1 unit	
2 unit	
3 unit	

3. Owner/Renter Status

<input type="text"/>	<input type="text"/>
----------------------	----------------------

TYPE	#
Owner	
Renter	

4. Condition of Structures

<input type="text"/>	<input type="text"/>
----------------------	----------------------

TYPE	#
Good	
Minor Repair	
Major Repair	

5. No. of Vacant Units by Size of Unit

<input type="text"/>	<input type="text"/>
----------------------	----------------------

	Vac	Occ
1 bedrm		
2 bedrms		
3 bedrms		

INFORMATION

PRIORITY FREQUENCY

SAMPLE FORM

6. No. of Vacant Structures by No. of Units

<input type="text"/>	<input type="text"/>
----------------------	----------------------

	Vac	Occ
1 unit		
2 units		
3 units		

7. Family Size by Age of Head

<input type="text"/>	<input type="text"/>
----------------------	----------------------

	1	2	3	4
21-45				
46-60				
60+				

8. Family Size by Sex of Head

<input type="text"/>	<input type="text"/>
----------------------	----------------------

	1	2	3
Male			
Female			

9. Family Size by Income

<input type="text"/>	<input type="text"/>
----------------------	----------------------

	1	2	3
Under \$3000			
\$3000-\$6000			
\$6000+			

10. Rent by Income

<input type="text"/>	<input type="text"/>
----------------------	----------------------

	\$45-65	\$66-85
Under \$3000		
\$3000-\$6000		
\$6000+		

INFORMATION

PRIORITY FREQUENCY

SAMPLE FORM

11. Rent by Size
of Unit

<input type="text"/>	<input type="text"/>
----------------------	----------------------

	\$45-65	\$66-85
1 bedrm		
2 bedrms		
3 bedrms		

12. Family Size by
Race/Ethnic
Group

<input type="text"/>	<input type="text"/>
----------------------	----------------------

	1	2	3	4
Black				
White				
Spanish				

13. Cost of Land

<input type="text"/>	<input type="text"/>
----------------------	----------------------

	\$ Cost
Parcel Code Number	

14. Cost of Structure

<input type="text"/>	<input type="text"/>
----------------------	----------------------

	\$ Cost
Structure Code Number	

(This listing represents a preliminary listing suggested for inclusion in the Housing Information System and for periodic reporting for monitoring and production. Obviously, the list can be expanded as necessary.)

production activities, and will therefore be in a position to make use of production-related information, on an individual building or parcel basis. If it will be, then no choice between production and monitoring information needs to be made. In terms of frequency of updating, the fact that program activity of the MCA is designed on an annual basis suggests that yearly updating would be ideal. There is serious question whether that is feasible, considering the sources of information; that question is discussed in the following section. Some production information is required on a case-by-case basis at the time a housing development project is begun, and timing is difficult to predict. The recommended system attempts to reflect that consideration.

Model City Information System

The proposed Model City information system is composed of two sub-systems. Sub-system I is an aggregated data information system (U.S. Census) and Sub-system II is an individual unit data information system (surveys, police listings, etc.). What must be determined is the proper mix of Sub-systems I and II. The relative advantages are listed below.

Sub-system I (U.S. Census) - Advantages: relatively inexpensive, reliability high, availability within one year. Disadvantages: cannot report information on less than predefined census tract block groups; variables cannot be independently cross-tabulated (except by what is already done by the Census Bureau); frequency of reporting is once in ten years.

Sub-system II - Advantages: completely flexible; all variables can be cross-tabulated; can be updated as often as desired; information can be reported by any arbitrarily defined geographic area. Disadvantages: relatively more expensive; reliability of information depends on other agencies, as does access to some data.

In order to rationally select the proper mix, we must recognize the constraints on the system. In addition to the design constraints identified by the priority and frequency of updating columns in the matrix of required information, and the availability and flexibility of the data sources, there are operational constraints. These operational constraints include:

1. Capability of personnel to operate system
2. Cost limitation
3. Usefulness of system requires that it be open-ended

In the next section both systems will be examined and a suggested mix will be developed.

Sub-system I (U.S. Census

Aggregation by census tracts; no access to data on individuals

Fourth Count Summary Tape for Boston Model City Area
(stored on file)

Produces the following data
for each census tract in the Model City area:

1. Number of bedrooms (1, 2, 3, 4, 5 or more) by: all units; total occupied units; total owners; Negro owners; Spanish descent owners; total renters; Negro renters; Spanish descent renters; vacant for rent (year-round); vacant for sale (year-round).
2. Number of rooms in year-round housing units (1, 2, 3, 4, 5, 6, 7, 8, 9 or more, and total rooms) by: all units; total occupied units; total owners; Negro owners; Spanish language/Puerto Rican owners; total renters; Negro renters; Spanish language/Puerto Rican renters; vacant for rent (year-round); vacant for sale (year-round).

NOTE: Questions on condition of housing units were not asked for the 1970 Census. Indicators based on plumbing facilities, which are included, are probably not sufficient indices of condition.

3. Number of persons (1, 2, 3, 4, 5, 6 or more) by income (\$0-1,999; \$2-2,999; \$3-4,999; \$5-6,999; \$7-9,999; \$10-14,999; \$15-24,999; and \$25,000 and over), for: owners; renters; total occupied units; Negro; Spanish language/Puerto Rican.
4. Household composition and age of head,
(Households:
Family:
 Head, wife present
 Under 30 years
 30-44 years
 45-64 years
 65 years and over
Other family
Primary individual)
by income (same categories as No. 3) for: owners; renters; total occupied units; Negro; Spanish language/Puerto Rican.
5. Gross rent of renter - occupied units (gross rent as a percent of income) for: total renters; Negro renters; Spanish language/Puerto Rican renters.
6. Gross rent of renter-occupied units, by number of bedrooms, for: total renters; Negro renters; Spanish language/Puerto Rican renters.

Above data is reported for all tracts which contain a part of the Boston Model City Area

Weighting factors of tracts for each sub-area are developed

Data is aggregated

Monitoring data is produced

If additional information is requested, the data must be taken from tape, weighted by areas and aggregated

Notes:

- (1) This system provides an approximate description of the defined geographic area. As area size is minimized error is maximized.
- (2) Information is developed directly from further aggregation and weighting of Census data. No sophisticated manipulation of the data is required.
- (3) The system cannot accommodate special information requests unless they happen to coincide with data aggregations provided by the Census Bureau.
- (4) Information concerning structure condition is not available. Indices can be developed based upon the absence of certain utilities. These will not be extremely accurate for areas less than the whole of the Model City area.
- (5) The desired information of size of family by age of head, and by sex of head, is not available.

Sub-system II

The basis of Sub-system II is the development of data on individual identifiable units in the Model City area. Given no external constraints, the ultimate system would be a continuous census of the entire population. This is clearly not feasible, so that other means must be found for developing information for individual units. Data sources, to be compatible, must be able to identify the units for which they are providing data.

The various data sources for Sub-system II are: police lists, structure survey (sample), unit survey (sample), assessor's records, mortgage and sales records, and vacancy listings developed from utility company billing records. It must be recognized that these data sources provide data on different levels. Surveys report on units, while police lists report on individuals, and assessor's and sales records report on parcels and structures. Utility companies, which maintain records at the level of individual units, do not have the means to identify the unit, but it can report the structure address so it should be considered structure information.

The first step in the design of Sub-system II is the development of a procedure to identify units, structures, and parcels. The second step is to assign to the data sources a means for relating this identification procedure to their existing means for identifying units or structures. The third step is to collect and compile data. The final steps are to aggregate the compiled data and report the information. These steps are graphically represented below.

involves a large number of variables which are usually non-linear. However, in most cases there is no clear way of defining the dependent variable or of determining how many and what kind of independent variables are needed to predict it. In addition, there are often many different ways of defining the dependent variable and the independent variables, and this makes it difficult to decide which is best. One way of dealing with this problem is to use a technique called 'multiple regression analysis'.

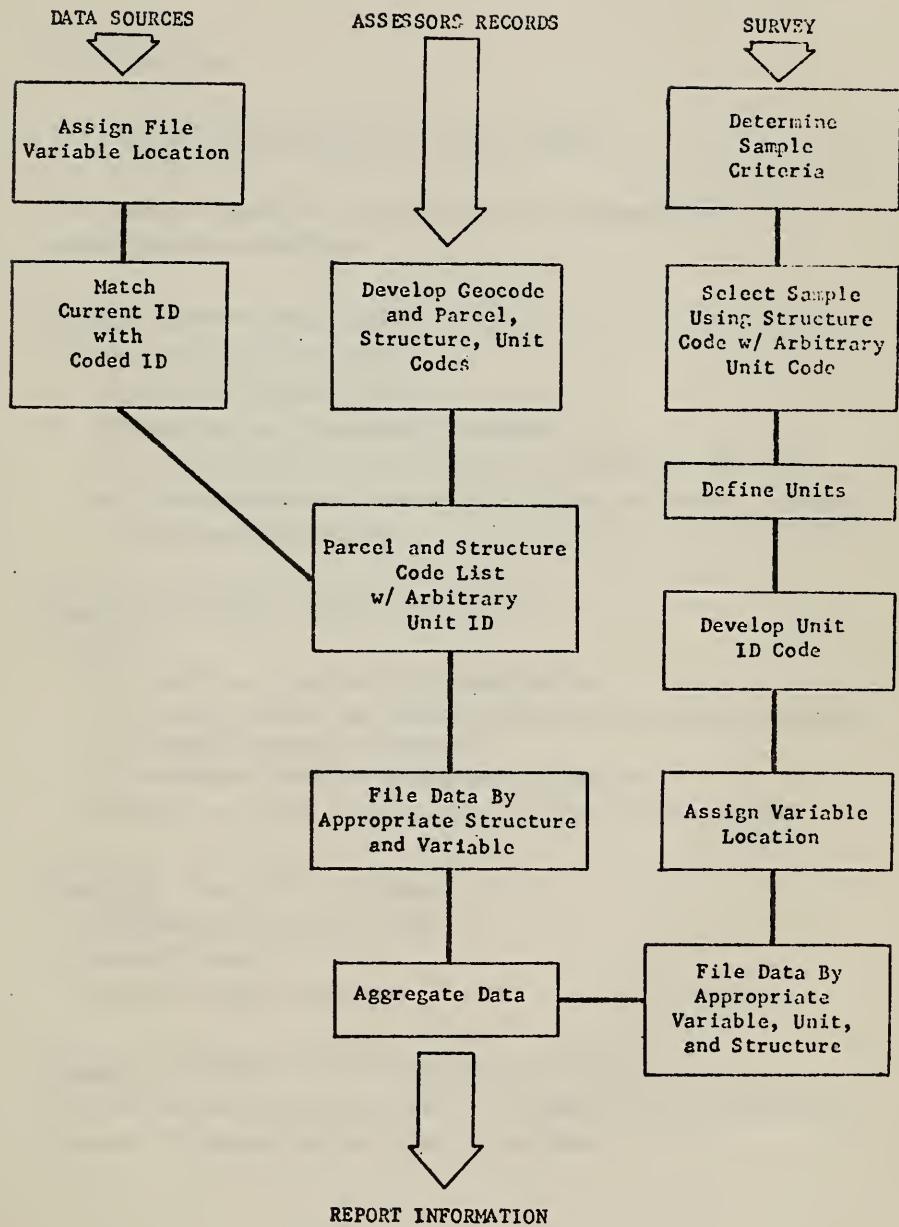
Multiple regression analysis is a technique which attempts to find the relationship between a dependent variable and several independent variables. It is based on the assumption that the dependent variable is a linear function of the independent variables. This means that if we know the values of all the independent variables, we can predict the value of the dependent variable with a certain degree of accuracy. The technique involves fitting a straight line to the data points, and then calculating the error between the observed values and the predicted values. The error is then used to calculate the coefficients of the regression equation, which are then used to predict the value of the dependent variable for new values of the independent variables.

The general form of the multiple regression equation is:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n + \epsilon$$

where Y is the dependent variable, X_1, X_2, \dots, X_n are the independent variables, $\beta_0, \beta_1, \beta_2, \dots, \beta_n$ are the regression coefficients, and ϵ is the error term. The regression coefficients are calculated by minimizing the sum of the squared errors between the observed values and the predicted values. The error term is usually assumed to be normally distributed with zero mean and constant variance.

FIGURE 3: Data aggregation process



RECOMMENDATIONS

See Figure 4 for suggested mix of data sources.

The immediate needs for reliable information suggest that a time-staged system be developed.

Stage I. Present until January 1, 1971

1. Use existing information
2. Develop 1970 Census requests
3. Prepare for use of assessor's records
 - a) develop parcel structure unit code (arbitrary unit code)
 - b) firm up agreement with utility company for access to records
 - c) develop sales records

Stage II. January 1, 1971 - March 1972

1. Use:
 - a) Census as a monitoring information base
 - b) utility records for vacancy (numbers of structures and units vacant by size of structure)
 - c) assessor's data for production information
2. Prepare for sample survey (sample size must be determined)

Stage III. March 1972 - September 1972

1. Information use same as Stage II
2. Conduct survey
3. Compile survey information

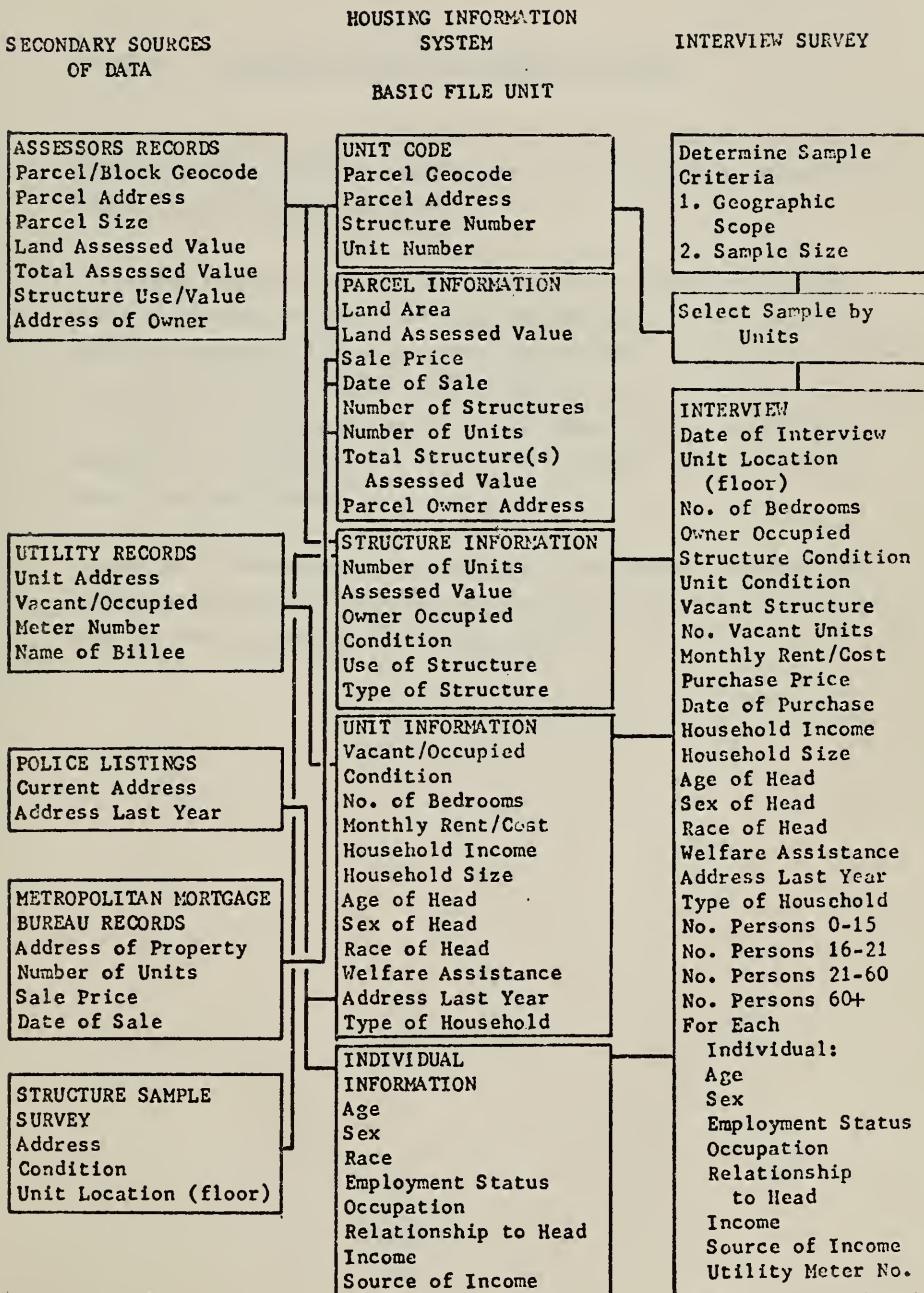
Stage IV. September 1972 through end of program

For monitoring, use sample surveys and compare with 1970 Census for analysis of changes in population and housing.

CONCLUSIONS

1. Expectations of annual housing and population information updating are unrealistic, and it should not be attempted. Sample surveys, which are the source of most of such data, are expensive, difficult to execute, and require so much time to design and carry out than an annual process is not advisable.
2. If additional information is needed on a small area, a special survey should be taken.
 - a) It does not belong in the larger information system files;
 - b) it can and should be hand tabulated.
3. Only two time points are developed for major monitoring information. Annual reporting can and should be maintained only for sales price trends, population migration trends reported by police lists, and vacancies.

FIGURE 4: Structure of Housing Information System Basic File



APPENDIX A: A SAMPLE SURVEY OF 36 BBURG MORTGAGORS

To gain more direct information about the BBURG program, the Model City Administration conducted a random sample survey of 36 homeowners who bought under the terms of BBURG.

Two random samples of 50 addresses each were selected by the Data Collection Center of the Model City Administration. Each of these samples represented houses bought under the BBURG program. Interviewers were instructed to visit each house in the first sample and to interview the owner (i.e., the mortgagor). If the owner was not a resident, a comparable size house (i.e., 1, 2, 3 or 4-family) from the second sample was then visited.

A total of 37 interviews were completed. One of the interviews was accidentally made at a wrong address and was eliminated from the study. Thus the results are based on a total of 36.

The City of Boston
Model City Administration

CITY HALL
BOSTON, MASSACHUSETTS 02108
TEL. (617) 722-4100 EXT. 251

MAIN OFFICE
BARTLETT BUILDING
2401 WASHINGTON STREET
BOSTON, MASSACHUSETTS 02119
TEL. (617) 442-6602

July 28, 1970

Dear Resident-Owner:

Boston Model Cities is currently exploring ways to increase the opportunities for home ownership both within the Model Cities area and throughout Boston. As a part of this effort we are trying to find out how people decide to buy a home in a particular neighborhood, how they go about getting a mortgage for their home and what special problems home owners have in maintaining their homes.

We would be very appreciative if you, a home owner in this area, would be willing to talk with us about your experiences both in buying and owning a home. Any information which you can give us will be very useful in finding ways for other people to own their own homes.

Sincere thanks for your cooperation.

Langley C. Keyes

Langley C. Keyes
Director, Department
of Housing Development



BBURG QUESTIONNAIRE

INTERVIEWER: Fill in address: _____

Fill in number of units: _____

First, I'm going to ask you a few questions about how you went about buying your home.

1. Did you:

a) First decide that you wanted to buy a house and then go and look for one; _____

OR:

b) Hear about this house and then decide that it was a good idea to buy it? _____

2. How did you go about getting financing for your home?

PROBE: First go to 306 Warren Street? (BBURG)

First go to an agency or non-member bank and then get referred to BBURG?

3. What attracted you to buying this particular house?

PROBE: Inside or outside space was attractive?

Investment reasons?

Less expensive than renting?

Income from other units available, if more than 1 family?

Interested in leaving the Roxbury area? (If they have, indeed, left the area.)

4. Did you move to a new neighborhood when you bought this house?

IF NO TO QUESTION 4 SKIP TO QUESTION 6:

5. Why did you leave your old neighborhood? _____

PROBE: House in old neighborhood was not adequate?

Old neighborhood was unpleasant to live in? Why?

Unable to find a suitable house in old neighborhood?

(ie: size, location, cost)

6. Before buying had you looked at other houses in other neighborhoods?

- a) If YES, in what other neighborhoods did you look at houses?
Be as specific as you can. Fill in exact addresses, if possible.
-

Why did you choose not to buy in any of the other neighborhoods?

PROBE: Financial reasons? (Financing was not available or house was too expensive)

Transportation problems? (Too far from job etc.)

Didn't like the houses there?

Didn't like the neighborhood?

- b) If NO, why had you only been looking at houses in this neighborhood?
-

PROBE: Knew financing was available?

Liked the neighborhood?

7. Was buying a 1/2/3 family house your first choice or would you have preferred another size house?

(Interviewer: Fill in appropriate size, based on observation.)

8. Why did you most prefer this size house?
-

PROBE: Privacy?

Income from other units? (If more than 1 family)

ASK QUESTION 9 ONLY IF OWNER DID NOT PREFER A 3-FAMILY HOUSE:
IF A 3-FAMILY HOUSE WAS THE STATED PREFERENCE, SKIP TO QUESTION 10:

9. Why were you not interested in buying a 3 family house?
-

PROBE: Too much work and/or responsibility?

Not like owning your own home if you have tenants?

I just have a few more questions to ask you about some of your experiences as a homeowner.

10. Have you had to make any major repairs on your home, since you moved in?
-

11. Does your home now need any repairs, or do you foresee repairs coming up in the near future? _____

If YES what exactly needs to be done? _____

Are you planning to make these repairs? _____

If NO, why not? _____

PROBE: Financing not available?

Planning to sell house in the near future?

Just can't afford to?

12. If you were planning to buy a house right now, where would you prefer to buy? _____

PROBE: This house in this neighborhood?

Another house in this neighborhood?

Another neighborhood?

Unless owner states that he would want to buy the exact same house again, ASK:

Why would you prefer this over your present situation?

SUMMARY OF ANSWERS

1. How Decision Was Made

- Decided to buy, then found house	30	84%
- Liked house, decided to buy	6	16%

2. Financing

- First went to BBURG	11
- First went elsewhere, then to BBURG	22
- N.A.	3

3. Attractions

- The unit	33
Size	9
Good condition	6
Generally nice	13
Yard	5
- Financial	19
Good deal	12
Income	7
- Neighborhood	4
Access	1
Schools	1
Generally nice	2

4. Moved To New Neighborhood?

- Yes	25
- No	11

5. Why Left Old Neighborhood?

- Neighborhood	15
Unpleasant	11
No good houses	3
Not enough room	1

- Old unit		8
Too small	6	
Did not own it	1	
Razing it	1	
- Landlord		1
Trouble with him	1	
- Cost		1
Too expensive	1	

6. Look At Other Houses?

- Yes	27	75%
- No	9	25%

a. Where?

Mattapan	17
Dorchester	9
Roxbury	2
Cambridge	2
Somerville	1
Jamaica Plain	1
Suburbs	3

b. Why not locate there?

Financial	9
Transportation	2
Bad houses	4
This house best	10
Discrimination	3

7. Size House Preferred

Bought	Preferred	#
1	1	6
	2	1
	3	
2	1	
	2	14
	3	
3	1	2
	2	
	3	6

Not specified- 7

8. Why Did You Prefer This Size?

<u>#</u>	<u>Bought</u>	<u>Privacy</u>	<u>Income</u>	<u>Misc.</u>	<u>Not Listed</u>
8	1-Family	6		2	1
15	2-Family	3	10	2	2
13	3-Family		11	0	2

9. Why Not Interested In 3-Family?

- Too much responsibility 8
- Not want to be landlord 7
- Too expensive 1
- Didn't see one they liked 3

10. Make Major Repairs?

- Yes 18
- No 16
- No Answer 2

11. Need Any Major Repairs Now?

- Yes 20
- No 16

Will you make them?

- | | |
|-----------|----|
| Yes | 15 |
| Gradually | 5 |

12. If Buying Again, Where?

- This house, this neighborhood 14
- This house, another neighborhood 4
- Another neighborhood 16
- No Answer 2

APPENDIX B: LIST OF PERSONS INTERVIEWED BY JGA IN COURSE OF HOUSING NEEDS
AND PRIORITIES REPORT PREPARATION

Each of the following persons was interviewed during the summer of 1970 by JGA. The interviews were unstructured, each one dealing with the subjects that that person was concerned with. They lasted an average of an hour. Their attitudes, information, and opinions, were invaluable in the preparation of this report. They are representative of the spectrum of concerned people who want to solve the housing problems in the Model City area. It is really to them that this report should be dedicated. We are indebted to them for their assistance and their commitment. Needless to say, the full responsibility for this report lies with the firm of Justin Gray Associates.

Mario Aloisi
Community Management, Inc.
86 Crispus Attucks

Leon Aronson
Jamaica Plain Associates
1 State Street

Ruth Batson
Director
Consultation and Education
700 Harrison Avenue

Martin Berman
Berman and Sons, Inc.
1427 Commonwealth Avenue

Denis Blackett
Housing Innovations, Inc.
50 Franklin Street

Edward Blackman
Commission on Housing and Education
United Church of Christ
14 Beacon Street

Royal Bolling
Eureka Realty
722 Morton Street

Daniel Boone
Boone Realty and Insurance
235 Dudley Street

Al Brothers
Al Brothers Real Estate
222 Humboldt Avenue

Rev. Donald Campbell
St. Andrew's Methodist Church
171 Armory Street

Lester Clemente
Clemente Construction Corporation
227 Roxbury Street

Rev. William L. Cody
Grant AME Church
1906 Washington Street

Joseph Connelly
Catholic Interracial Council
of Boston
629 Washington Street

Fr. Tom Corrigan
Association of Boston
Urban Priests

Nell Daniels
Parish Worker
Church of St. James and
St. John
149 Roxbury Street

Edward Davis
Manager
Marksdale Gardens
Marksdale Management Corporation
95 Humboldt Avenue

Fr. Robert D'Onofrio
Rector
Church of St. James and
St. John
149 Roxbury Street

Larry Dunn
Model Neighborhood Board
Coordinator
Sub-Area 3
158 Warren Street

Fr. Thomas Fleming
Fr. James Gaudreau
Fr. John Kelty
Fr. Joseph Sullivan
St. Patrick's Church
10 Magazine Street

William Goldsmith
William H. Goldsmith Realty
12 Columbia Road

John Grace
Assistant Director
Boston Rent Review Board
35 Market Street

Mrs. Julie Green
Model Neighborhood Board Staff
Sub-Area 2
95 Roxbury Street

Larry Griffin
Model Neighborhood Board
Coordinator
Sub-Area 2
95 Roxbury Street

Fr. Michael Groden
Archdiocesan Planning Office
for Urban Affairs
7 Marshall Street

George C. Jordan
Model Neighborhood Board
Coordinator
Sub-Area 6
618 Blue Hill Avenue

Fr. William Kremmel
Our Lady of Lourdes Roman
Catholic Church
46 Brookside Avenue

Walter Little
Action for Boston Community
Development
150 Tremont Street

Jackie Martin
Model Neighborhood Board Staff
Sub-Area 6
618 Blue Hill Avenue

Rev. Crispin Mazobere
St. Mark's Congregational Church
200 Townsend Avenue

Samuel McCoy
Samuel McCoy Realtors
100 Warren Street

Frank McGinness
Model Neighborhood Board
Coordinator
Sub-Area 1
3121 Washington Street

Richard McKinnon
Manager
Mattapan Little City Hall
Blue Hill Avenue at Morton Street

George Morrison
Roxbury Action Program
63 Lambert Street

Leonard Nelson
President
Boston Chapter
National Association for the
Advancement of Colored People

George Robinson
Boston Five Cents Saving Bank
30 School Street

Rev. Harold Ross
Association for Better Housing
14 Crawford Street

Sadelle Sacks
Fair Housing, Inc.
94 Seaver Street

Tony Santio
Roxbury Multi-Service Center
317 Blue Hill Avenue

Fr. Shawn Sheehan
St. Leo's Church
12 Bicknell Avenue

Ralph Smith
President
Lower Roxbury Community
Corporation
60 Vernon Street

Donald Sneed
President
Unity Bank and Trust Company
416 Warren Street

Pauline Swift
Former Staff Member
Blue Hill Christian Center

John Thimas
Manager
Roxbury Little City Hall
29 Roxbury Street

John Waner
Model Neighborhood Board Staff
Sub-Area 4
475 Dudley Street

William Weeks, Jr.
William N. Weeks & Son Real
Estate
576 Warren Street

1980-1981
1981-1982
1982-1983

1983-1984
1984-1985
1985-1986

1986-1987
1987-1988
1988-1989

1989-1990
1990-1991
1991-1992

1992-1993
1993-1994
1994-1995

1995-1996
1996-1997
1997-1998

1998-1999
1999-2000
2000-2001

2001-2002
2002-2003
2003-2004

2004-2005
2005-2006
2006-2007

2007-2008
2008-2009
2009-2010

2010-2011
2011-2012
2012-2013

2013-2014
2014-2015
2015-2016

2016-2017
2017-2018
2018-2019

2019-2020
2020-2021
2021-2022

2022-2023
2023-2024
2024-2025

2025-2026
2026-2027
2027-2028

2028-2029
2029-2030
2030-2031

2031-2032
2032-2033
2033-2034

2034-2035
2035-2036
2036-2037

2037-2038
2038-2039
2039-2040

2040-2041
2041-2042
2042-2043

2043-2044
2044-2045
2045-2046

2046-2047
2047-2048
2048-2049

2049-2050
2050-2051
2051-2052

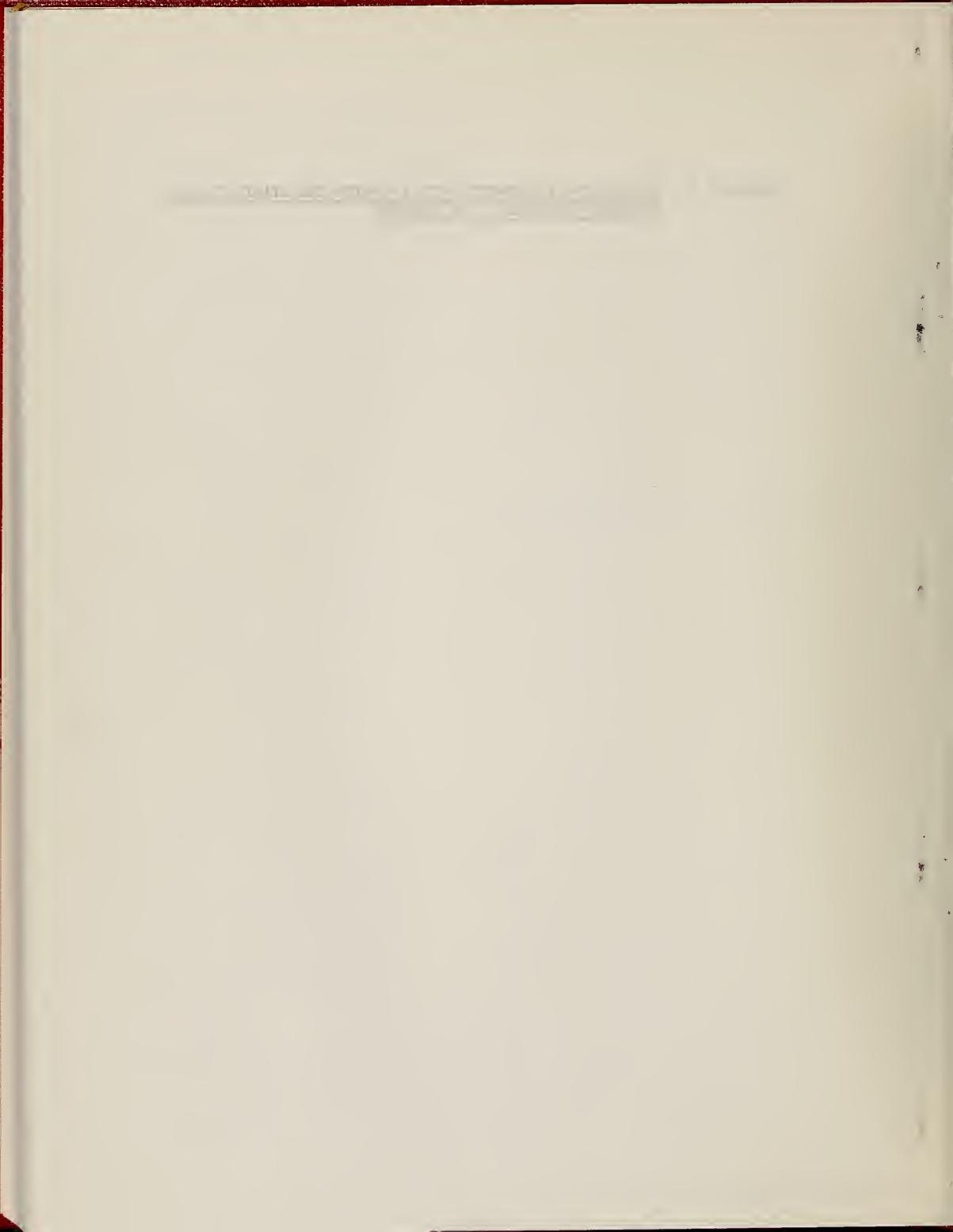
Chuck Williams, General Contractor
227 Roxbury Street

Lloyd Williams
Model Neighborhood Board
Coordinator
Sub-Area 5
320A Blue Hill Avenue

Chuck Winston
Model Neighborhood Board
Coordinator
Sub-Area 4
475 Dudley Street

Rev. Virgil Wood
Financial Approaches and
Investment Techniques
16 Columbia Road

APPENDIX C: MAP OF THE BOUNDARIES WITHIN WHICH THE BBURG PROGRAM FINANCED MORTGAGES ARE LOCATED



WASHINGTON PARK URBAN RENEWAL AREA

MODEL
CITY
AREA

PLAINT

FOREST HILLS
CEMETERY

BOSTON STA

B BURG
C BOUNDARY

MT. HOPE CEMETERY

NEW CALVARY
CEMETERY

۲۱۱

000 0 1000 2000 2000 GROVE

APPENDIX D: MULTIPLE SALES OF PROPERTY, MODEL CITY AREA (1950-1970)

The following data were assembled from the files of the Metropolitan Mortgage Bureau. It reports a large percentage of the transactions that have taken place where a residential structure has been sold twice in the last 20 years. Some sales are not reported because of insufficient information. Information about the sales are reported by size of structure, by sub-area and by date of last sale in 5 year groupings. 0% changes in sales price are reported as decreases since no change over time equals a decrease given inflation.

TABLE D1: Multiple sales of property, Sub-Area 1, Model City Area
(1950-1970)

		Year of Second Sale	1966-70	1961-65	1950-60
1-Family	# increased		1	2	-
	# decreased		2	2	-
	avg. % change/yr.		+1.5	+4.0	-
	range of %		-2.0/+5.0	-2.8/+16.0	-
	range of years b/w sales		3-8	4-6	-
2-Family	# increased		4	13	-
	# decreased		0	2	-
	avg. % change/yr.		+9.1	+5.2	-
	range of %		+1.4/+22.0	0/+17.6	-
	range of years b/w sales		3-12	3-10	-
3-Family	# increased		20	10	1
	# decreased		6	1	0
	avg. % change/yr.		+3.9	+5.1	+33.0
	range of %		-5.0/+17.4	0/+15.5	-
	range of years b/w sales		2-14	2-10	1
4-6 Family	# increased		1	1	-
	# decreased		0	0	-
	avg. % change/yr.		+9.6	+7.0	-
	range of %		-	-	-
	range of years b/w sales		5	1	-
7+ Family	# increased		-	-	-
	# decreased		-	-	-
	avg. % change/yr.		-	-	-
	range of %		-	-	-
	range of years b/w sales		-	-	-

Table D2: Multiple sales of property, Sub-Area 2, Model City Area,
(1950-1970)

		Year of Second Sale		
		1966-70	1961-65	1950-60
1-Family	#increased	2	2	-
	#decreased	0	0	-
	avg.. % change/yr.	+16.3	+8.6	-
	range of %	+2.5/+30.0	+0.6/+16.5	-
	range of years b/w sales	5-13	2-10	-
2-Family	#increased	2	1	1
	#decreased	1	1	0
	avg. % change/yr.	+11.3	+24.3	+25.0
	range of %	-0.8/+34.4	-1.5/+50.0	-
	range of years b/w sales	9-12	3-9	1
3-Family	#increased	3	2	1
	#decreased	2	4	4
	avg.. % change/yr.	+1.3	-4.3	-9.7
	range of %	-0.8/+6.2	-15.3/+1.5	-26.0/+3.8
	range of years b/w sales	6-15	2-10	1-5
4-6 Family	#increased	1	-	-
	#decreased	0	-	-
	avg.. % change/yr.	+45.5	-	-
	range of %	-	-	-
	range of years b/w sales	2	-	-
7+ Family	#increased	-	-	-
	#decreased	-	-	-
	avg. % change/yr.	-	-	-
	range of %	-	-	-
	range of years b/w sales	-	-	-

Table D3: Multiple sales of property, Sub-Area 3, Model City Area,
(1950-1970)

		Year of Second Sale		
		1966-70	1961-65	1950-60
1-Family	#increased	3	3	1
	#decreased	2	2	0
	avg. % change/yr.	+2.4	+4.3	+75.0
	range of %	-0.5/+11.0	-14.0/+17.0	-
	range of years b/w sales	7-14	2-9	1
2-Family	#increased	4	1	0
	#decreased	0	1	1
	avg. % change/yr.	+4.0	+30.9	0
	range of %	+2.0/+5.6	-33.0/+70.0	-
	range of years b/w sales	5-13	1-4	1
3-Family	#increased	3	3	0
	#decreased	1	2	1
	avg. % change/yr.	+28.5	+4.9	-6.6
	range of %	-2.3/+91.5	-7.0/+19.0	-
	range of years b/w sales	2-10	2-9	3
4-6 Family	#increased	-	-	-
	#decreased	-	-	-
	avg. % change/yr.	-	-	-
	range of %	-	-	-
	range of years b/w sales	-	-	-
7+ Family	#increased	1	2	-
	#decreased	0	0	-
	avg. % change/yr.	+51.0	7.3	-
	range of %	-	+2.5/+12.0	-
	range of years b/w sales	6	1-11	-

1920-1921
1921-1922
1922-1923
1923-1924
1924-1925
1925-1926
1926-1927
1927-1928
1928-1929
1929-1930
1930-1931
1931-1932
1932-1933
1933-1934
1934-1935
1935-1936
1936-1937
1937-1938
1938-1939
1939-1940
1940-1941
1941-1942
1942-1943
1943-1944
1944-1945
1945-1946
1946-1947
1947-1948
1948-1949
1949-1950
1950-1951
1951-1952
1952-1953
1953-1954
1954-1955
1955-1956
1956-1957
1957-1958
1958-1959
1959-1960
1960-1961
1961-1962
1962-1963
1963-1964
1964-1965
1965-1966
1966-1967
1967-1968
1968-1969
1969-1970
1970-1971
1971-1972
1972-1973
1973-1974
1974-1975
1975-1976
1976-1977
1977-1978
1978-1979
1979-1980
1980-1981
1981-1982
1982-1983
1983-1984
1984-1985
1985-1986
1986-1987
1987-1988
1988-1989
1989-1990
1990-1991
1991-1992
1992-1993
1993-1994
1994-1995
1995-1996
1996-1997
1997-1998
1998-1999
1999-2000
2000-2001
2001-2002
2002-2003
2003-2004
2004-2005
2005-2006
2006-2007
2007-2008
2008-2009
2009-2010
2010-2011
2011-2012
2012-2013
2013-2014
2014-2015
2015-2016
2016-2017
2017-2018
2018-2019
2019-2020
2020-2021
2021-2022
2022-2023
2023-2024
2024-2025
2025-2026
2026-2027
2027-2028
2028-2029
2029-2030
2030-2031
2031-2032
2032-2033
2033-2034
2034-2035
2035-2036
2036-2037
2037-2038
2038-2039
2039-2040
2040-2041
2041-2042
2042-2043
2043-2044
2044-2045
2045-2046
2046-2047
2047-2048
2048-2049
2049-2050
2050-2051
2051-2052
2052-2053
2053-2054
2054-2055
2055-2056
2056-2057
2057-2058
2058-2059
2059-2060
2060-2061
2061-2062
2062-2063
2063-2064
2064-2065
2065-2066
2066-2067
2067-2068
2068-2069
2069-2070
2070-2071
2071-2072
2072-2073
2073-2074
2074-2075
2075-2076
2076-2077
2077-2078
2078-2079
2079-2080
2080-2081
2081-2082
2082-2083
2083-2084
2084-2085
2085-2086
2086-2087
2087-2088
2088-2089
2089-2090
2090-2091
2091-2092
2092-2093
2093-2094
2094-2095
2095-2096
2096-2097
2097-2098
2098-2099
2099-20100

Table D4: Multiple sales of property, Sub-Area 4, Model City Area,
(1950-1970)

		Year of Second Sale		
		1966-70	1961-65	1950-60
1-Family	#increased	1	3	-
	#decreased	4	0	-
	avg. % change/yr.	-0.6	+9.1	-
	range of %	-1.1/+4.3	+1.9/+21.8	-
	range of years b/w sales	3-8	4-7	-
2-Family	#increased	1	-	1
	#decreased	4	-	0
	avg. % change/yr.	+2.9	-	+17.5
	range of %	-1.5/+17.5	-	-
	range of years b/w years	2-13	-	2
3-Family	#increased	3	0	4
	#decreased	1	1	1
	avg. % change/yr.	+12.0	-2.3	+14.0
	range of %	-7.0/+50.0	-	-23.5/+58.0
	range of years b/w sales	1-18	1	1-5
4-6 Family	#increased	-	-	-
	#decreased	-	-	-
	avg. % change/yr.	-	-	-
	range of %	-	-	-
	range of years b/w sales	-	-	-
7+ Family	#increased	-	-	-
	#decreased	-	-	-
	avg. % change/yr.	-	-	-
	range of %	-	-	-
	range of years b/w sales	-	-	-

THE HISTORICAL RECORD

1. *Historical Record*

2. *Historical Record*

3. *Historical Record*

4. *Historical Record*

5. *Historical Record*

6. *Historical Record*

7. *Historical Record*

8. *Historical Record*

9. *Historical Record*

10. *Historical Record*

11. *Historical Record*

12. *Historical Record*

13. *Historical Record*

14. *Historical Record*

15. *Historical Record*

16. *Historical Record*

17. *Historical Record*

18. *Historical Record*

19. *Historical Record*

20. *Historical Record*

21. *Historical Record*

22. *Historical Record*

23. *Historical Record*

24. *Historical Record*

25. *Historical Record*

26. *Historical Record*

27. *Historical Record*

28. *Historical Record*

29. *Historical Record*

30. *Historical Record*

Table D5: Multiple sales of property, Sub-Area 5, Model City Area,
(1950-1970)

Year of Second Sale					
		1966-70	1961-65	1950-60	
1-Family	#increased	1	1	-	
	#decreased	2	0	-	
	avg. % change/yr.	+0.3	+7.0	-	
	range of %	-1.8/+4.6	-	-	
	range of years b/w sales	6-14	1	-	
2-Family	#increased	7	6	5	
	#decreased	6	6	1	
	avg. % change/yr.	+7.5	+7.4	+20.3	
	range of %	-9.5/+48.1	-2.7/+81.0	0/+40.0	
	range of years b/w sales	1-15	1-10	1-4	
3-Family	#increased	2	4	3	
	#decreased	3	9	3	
	avg. % change/yr.	-1.3	+2.6	+12.9	
	range of %	-5.8/+2.9	-8.8/+29.6	-8.3/+54.1	
	range of years b/w sales	3-12	1-14	1-5	
4-6 Family	#increased	2	-	-	
	#decreased	0	-	-	
	avg. % change/yr.	+7.8	-	-	
	range of %	+0.3/+15.3	-	-	
	range of years b/w sales	7-9	-	-	
7+ Family	#increased	1	-	1	
	#decreased	1	-	0	
	avg. % change/yr.	-9.8	-	+63.0	
	range of %	-27.0/+7.5	-	-	
	range of years b/w sales	1-4	-	3	

Table D6: Multiple sales of property, Sub-Area 6, Model City Area,
(1950-1970)

		Year of Second Sale		
		1966-70	1961-65	1950-60
1-Family	#increased	5	4	1
	#decreased	1	1	-
	avg. % change/yr.	+4.1	+6.3	-
	range of %	-0.7/+8.6	0/+12.0	-
	range of years b/w sales	5-13	3-7	-
2-Family	#increased	9	9	1
	#decreased	2	8	0
	avg. % change/yr.	+1.5	+1.0	+11.0
	range of %	-3.6/+4.6	-8.0/+9.0	-
	range of years b/w sales	4-8	2-9	5
3-Family	#increased	15	5	2
	#decreased	3	1	1
	avg. % change/yr.	+3.0	+2.8	+9.1
	range of %	-2.8/+13.0	-0.5/+5.7	-0.8/+25.1
	range of years b/w sales	2-13	3-8	1-5
4-6 Family	#increased	2	-	-
	#decreased	1	-	-
	avg. % change/yr.	+0.4	-	-
	range of %	-1.0/+1.5	-	-
	range of years b/w sales	3-12	-	-
7+ Family	#increased	2	-	-
	#decreased	0	-	-
	avg. % change/yr.	+4.3	-	-
	range of %	+2.3/+6.3	-	-
	range of years b/w sales	7-12	-	-

APPENDIX E: SUB-AREA PROFILES

The profiles display general demographic and housing data about each of the geographic sub-areas. They should prove helpful as a general reference while using this report. All statistics are based on MCA "Best Estimates" for July, 1970.

and a number of other administrative functions. The present system is based on a centralised model of government which is not consistent with the principles of decentralisation and devolution of power. The centralised model of government has led to a concentration of power at the top, which has resulted in a lack of accountability and transparency. The centralised model of government has also led to a lack of participation and engagement of citizens in the decision-making process.

PROFILE -- SUB-AREA 1

Number of Households: 2603

Racial Composition:

Black	653	6.4%
White	8685	85.1%
Other	868	8.5%

Age Breakdown:

0-4	571	6%
5-10	1009	10%
11-13	441	4%
14-17	684	7%
18-21	500	5%
22-44	4011	39%
45-64	1847	18%
65+	<u>1143</u>	11%
Total	<u>10,206</u>	

Sex of Household Head:

Male	1848	71%
Female	755	29%
Total	<u>2603</u>	

Number of Welfare Cases:

OAA	200	37%
AFDC	200	37%
DA	100	19%
GR	<u>35</u>	7%
Total	<u>535</u>	

Household Size:

1	644	25%
2	835	32%
3-5	975	37%
6+	149	6%

Income:

Below \$3000	521	20%
\$3000-5999	1041	40%
\$6000-9999	859	33%
Over \$10,000	182	7%

Total Housing Units: 2892

Total Occupied Units: 2603

Total Vacant Units 289

Type of Structure:
(occupied units)

Single Unit:	390	15%
2 Units:	547	21%
3-4 Units:	1172	45%
5-9 Units:	390	15%
10+ Units:	<u>104</u>	4%
Total	<u>2603</u>	

Number of Renter Occupied Units:

2080 79.9%

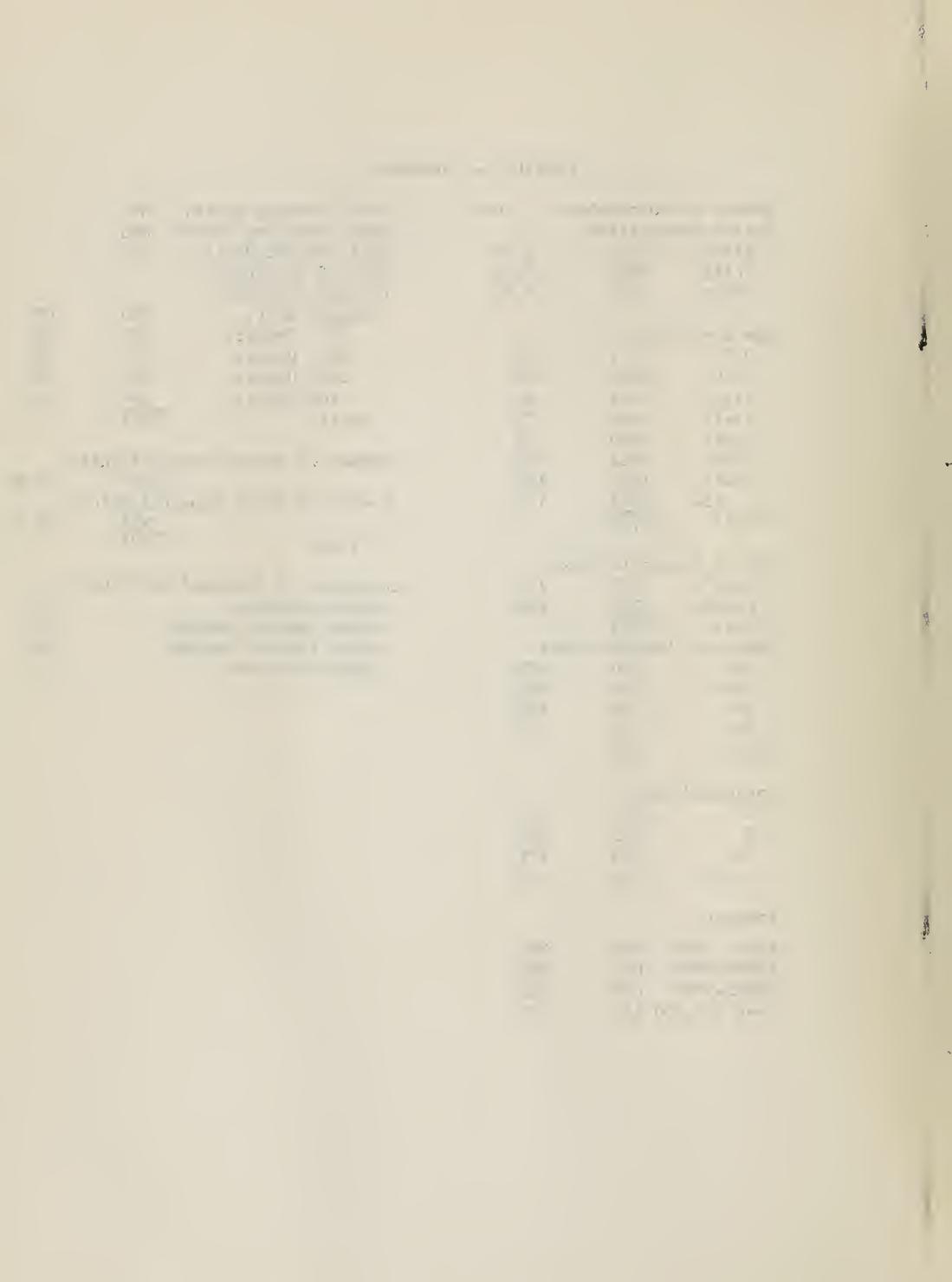
Number of Owner Occupied Units:

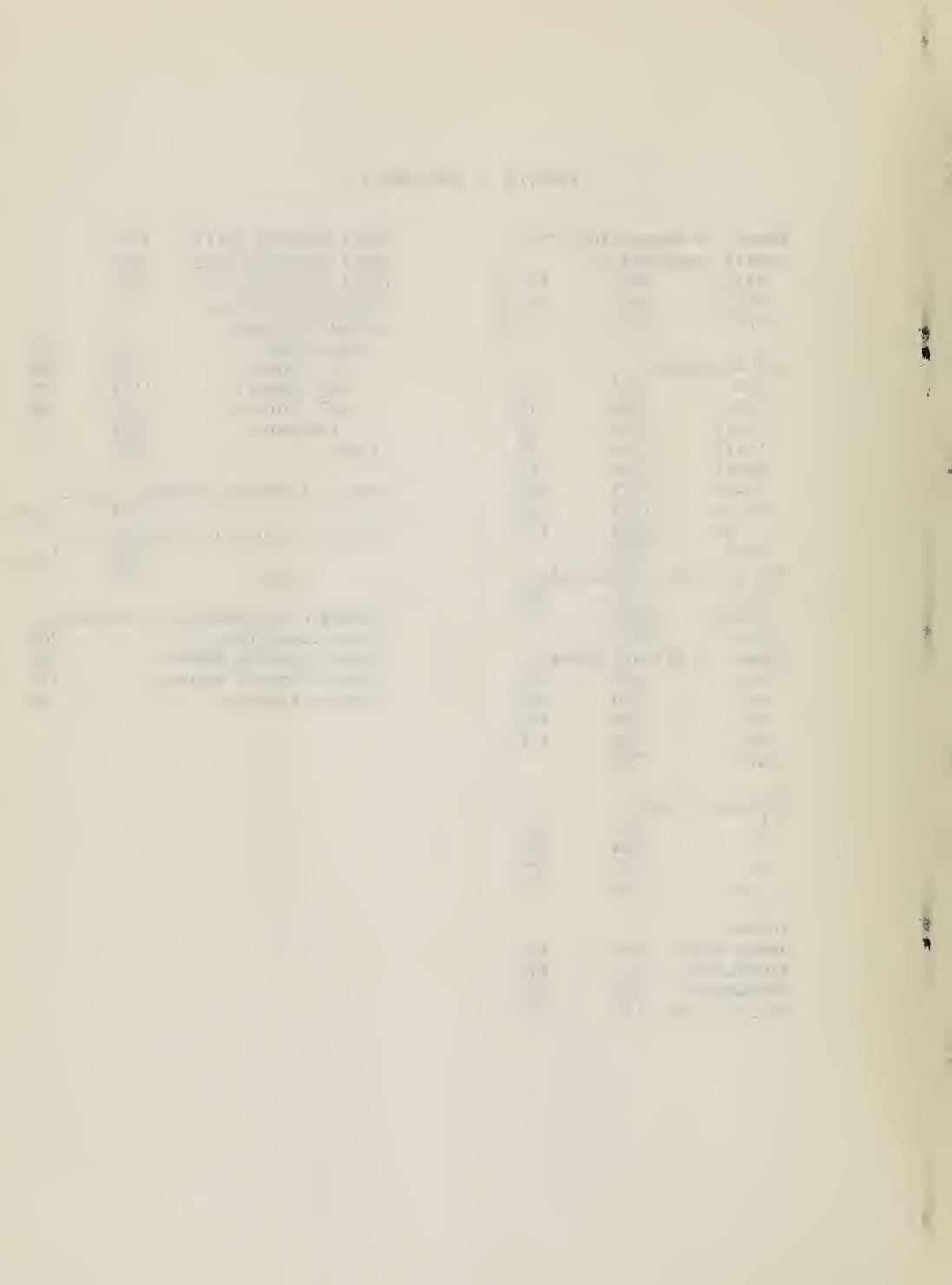
523 20.1%

Total 2603

Condition of Occupied Structures:

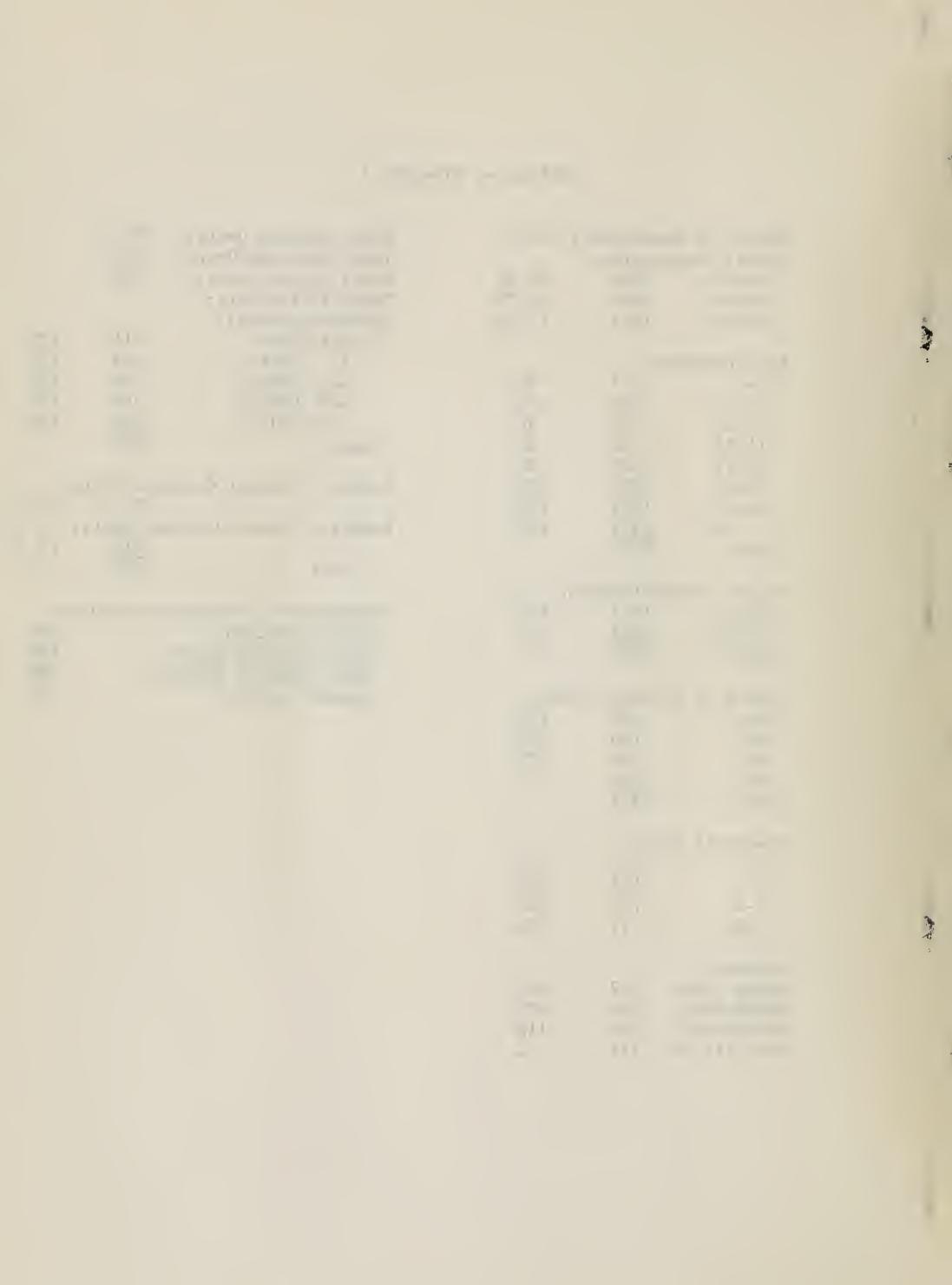
Good condition	19%
Minor Repairs Needed:	53%
Major Repairs Needed:	26%
Beyond Repairs:	2%





PROFILE -- SUB-AREA 3

Number of Households:	2618	Total Housing Units:	3543
Racial Composition:		Total Occupied Units:	2618
Black	5076	Total Vacant Units:	925
White	2991	Type of Structure:	
Other	1195	(occupied units)	
		Single Unit:	314 12%
Age Breakdown:		2 Units:	445 17%
0-4	575	3-4 Units:	1100 42%
5-10	881	5-9 Units:	283 11%
11-13	429	10+ Units:	471 18%
14-17	598		
18-21	528	Total	2618
22-44	2926	Number of Renter Occupied Units:	
45-64	1991	2202 84.1%	
65+	<u>1333</u>	Number of Owner Occupied Units:	
Total	<u>9261</u>	416 15.9%	
Sex of Household Head:		Total	2618
Male	1571	Condition of Occupied Structures:	
Female	1047	Good condition:	34%
Total	<u>2618</u>	Minor Repairs Needed:	41%
Number of Welfare Cases:		Major Repairs Needed:	20%
OAA	330	Beyond Repair:	5%
AFDC	700		
DA	165		
GR	<u>140</u>		
Total	<u>1335</u>		
Household Size:			
1	924		
2	592		
3-5	785		
6+	317		
Income:			
Under \$3000	1179		
\$3000-5999	995		
\$6000-9999	288		
Over \$10,000	157		
	6%		



PROFILE -- SUB-AREA 4

Number of Households:	3265	Total Housing Units:	4371
Racial Composition:		Total Occupied Units:	3265
Black	7335	Total Vacant Units:	1106
White	5719	Type of Structure:	
Other	1499	(occupied units)	
		Single Unit:	359 11%
Age Breakdown:		2 Units:	686 21%
0-4	1198	3-4 Units:	1926 59%
5-10	2396	5-9 Units:	196 6%
11-13	977	10+ Units:	98 3%
14-17	971		
18-21	438	Total	3265
22-44	4192		
45-64	2897	Number of Renter Occupied Units:	
65+	<u>1484</u>	2599 79.6%	
Total	14553	Number of Owner Occupied Units:	
		666 20.4%	
Sex of Household Head:		Total	3265
Male	2220		
Female	<u>1045</u>	Condition of Occupied Structures:	
Total	3265	Good condition:	33%
Number of Welfare Cases:		Minor Repairs Needed:	45%
OAA	130	Major Repairs Needed:	18%
AFDC	425	Beyond Repair:	4%
DA	70		
GR	100		
Total	725		
Household Size:			
1	763		
2	868		
3-5	1322		
6+	312		
Income:			
Below \$3000	1469		
\$3000-5999	1339		
\$6000-9999	294		
Over \$10,000	163		

PROFILE -- SUB-AREA 5

Number of Households:	2726	Total Housing Units:	3496
Racial Composition:		Total Occupied Units:	2726
White	447	4.1%	Total Vacant Units: 770
Black	10072	92.4%	Type of Structure: (occupied units)
Other	381	3.5%	Single Unit: 218 8%
Age Breakdown:		2 Units: 627 23%	
0-4	1141	10%	3-4 Units: 1227 45%
5-10	1534	14%	5-9 Units: 381 14%
11-13	389	4%	10+ Units: 273 10%
14-17	641	6%	Total 2726
18-21	305	3%	
22-44	3695	34%	Number of Renter Occupied Units:
45-64	2191	20%	2295 84.2%
65+	<u>1003</u>	9%	Number of Owner Occupied Units:
Total	10899		431 15.8%
Sex of Head of Household:		Total	2726
Male	1745	64%	
Female	<u>981</u>	36%	Condition of Occupied Structures:
Total	2726		Good Condition: 30%
Number of Welfare Cases:			Minor Repair Needed: 53%
OAA	200	14%	Major Repair Needed: 14%
AFDC	940	67%	Beyond Repair: 3%
DA	100	7%	
GR	160	12%	
Total	1400		
Household Size:			
1	793	29%	
2	747	27%	
3-5	843	31%	
6+	343	13%	
Income:			
Under \$3000	981	36%	
\$3000-5999	1145	42%	
\$6000-9999	436	16%	
Over \$10,000	164	6%	

On the occurrence of

Calostoma (L.) Schlecht.

in Connecticut.

With notes on its

habits and distribution.

By J. C. HARRIS,

Professor of Botany,

Yale University.

1857.

New Haven:

Published by the author.

Price, 50 cents.

Entered according to law,

in the office of the Librarian of Congress,

by J. C. HARRIS,

Author of the work.

1857.

Printed by the author.

1857.

Bound by the author.

1857.

Published by the author.

1857.

Printed by the author.

1857.

Bound by the author.

1857.

Published by the author.

1857.

Printed by the author.

1857.

Bound by the author.

Calostoma (L.) Schlecht.

in Connecticut.

With notes on its

habits and distribution.

By J. C. HARRIS,

Professor of Botany,

Yale University.

1857.

New Haven:

Published by the author.

Price, 50 cents.

Entered according to law,

in the office of the Librarian of Congress,

by J. C. HARRIS,

Author of the work.

1857.

Printed by the author.

1857.

Bound by the author.

1857.

Published by the author.

1857.

Printed by the author.

1857.

Bound by the author.

1857.

Published by the author.

1857.

Printed by the author.

1857.

PROFILE -- SUB-AREA 6

Number of Households:	2094	Total Housing Units:	2383
Racial Composition:		Total Occupied Units:	2094
White	475	Total Vacant Units:	289
Black	7356	Type of Structures:	
Other	2500	(occupied structures)	
		Single Unit:	188 9%
Age Breakdown:		2 Units:	524 25%
0-4	1508	3-4 Units:	1068 51%
5-10	1333	5-9 Units:	209 10%
11-13	819	10+ Units:	105 5%
14-17	814		
18-21	206	Total	2094
22-44	3699		
45-64	1436	Number of Renter Occupied Units:	
65+	517	1732 82.7%	
Total	10332	Number of Owner Occupied Units:	
		362 17.3%	
Sex of Head of Household:		Total	2094
Male	1508		
Female	586		
Total	2094		
Number of Welfare Cases:		Condition of Occupied Structures:	
OAA	130	Good Condition:	30%
AFDC	425	Minor Repairs Needed:	48%
DA	70	Major Repairs Needed:	19%
GR	100	Beyond Repairs:	3%
Total	725		
Household Size:			
1	628		
2	604		
3-5	664		
6+	198		
Income:			
Under \$3000	628		
\$3000-\$5999	796		
\$6000-\$9999	523		
Over \$10,000	147		

H81

G Gray, Justin Assoc.

Housing Needs and

Priorities. Vol.II.

DATE

ISSUED TO

